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German Middle East and North Africa policy: Interests, strategies, options

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Guido Steinberg (Ed.)

German Middle East and North Africa Policy

Interests, Strategies, Options

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Introduction

Guido Steinberg

The contributions in this volume are updated and slightly expanded versions of the papers presented at a workshop on German Middle East policy held by the Stiftung Wissenschaft und Politik in October 2008. As its starting point the study takes the observation that Germany is still reluctant to define its own interests in the Middle East and North Africa. Indeed, we seldom find the word “interests” in the vocabulary of German politicians at all – probably because it has that ring of hard-edged power politics that is still taboo in Germany. That applies especially to relations with Israel, the Palestinian territories, and their neighbours, where the German side always prefers to point to historical responsibility as the motivation for actions.

The authors, on the other hand, believe that whatever the meaning of values for foreign policy there should be clarity about Germany’s interests – the kind of clarity that can only result from frank and continuing debate. In Germany we see only short-lived discussions, generally triggered by particular events and mostly about particular countries rather than the region as a whole. The Israeli-Palestinian conflict and Iran occupy important positions in German foreign policy discourse, but other countries and sub-regions (Iraq, the Arabian Peninsula, the Maghreb) and regional themes (migration, Islamist terrorism, energy) play a very subsidiary role in politics and public debate.

That becomes a problem as Germany begins to look beyond Israel/Palestine and Iran, seeking to play an active part in the broader Middle East and North Africa. Germany acts as a member of the European Union, which has intensified its activities in the region in recent years. Examples include the multilateral Barcelona Process that gave rise to the Union for the Mediterranean in July 2008 and the European Neighbourhood Policy established in 2004. But Germany is also pursuing much more active policies outside of the EU framework than in the past. Germany led nuclear talks with Iran as a member of the EU-3, together with France and Britain. And since autumn 2006 German naval vessels have been part of the UNIFIL force patrolling Lebanese coastal waters to prevent arms smuggling. Acting under the umbrella of the United Nations or other coalitions rather than alone is characteristic of the German approach.

But when a state becomes active in this manner it needs to begin by defining its interests and objectives. Germany’s limited operational capacities make this all the more crucial. In order to focus finite resources effectively priorities have to be stated and redefined as the changing situation requires. This demands clarity about the goals being pursued.

But our authors do not limit themselves to identifying German interests. They also examine the extent to which Germany has developed concepts

and strategies to implement its interests and ask whether these are adequate to their objectives. The principle intention here is to highlight productive approaches that could perhaps be adopted more intensively, and of course to identify mistakes too.

Such an analysis must examine the extent of the possibilities and capacities open to German policy-makers in each field. The bounds of these are defined by the European Union policy framework – which expands as well as constricts German options – and by actors of outstanding significance, in the first place the United States. Middle East policy often also becomes a dimension of the transatlantic relationship. Furthermore, there may be special restrictions connected to each country, region and issue about which German policy-makers need to be clear. Each contribution offers recommendations for making better use of the options open to Germany.

The study contains two sets of articles. The most important countries and (sub-)regions are examined in terms of their significance for Germany – Israel/Palestine, Iraq, the GCC states, Iran and the Maghreb – while three thematic contributions take a region-wide look at the issues of energy, migration and terrorism, whose importance has grown enormously in recent years.

The approach is deliberately broad. All the authors seek to sharpen awareness of German interests in the region, above and beyond the Israeli-Palestinian conflict and the Iranian nuclear crisis. This single volume brings together recommendations for German policy in the Middle East and North Africa, in all cases with an eye to the challenges and opportunities presented by the new administration in the United States.

The concluding contribution weighs up and prioritizes Germany's interests, strategies and options in the region as a whole.

Maghreb

Isabelle Werenfels

Although the Maghreb is the Arab region geographically closest to Germany, German diplomacy has focused much more strongly on the Middle East. Well into the 1990s the Maghreb still occupied a marginal position in German foreign policy, with no sign of a clear formulation of German interests. However, in the past decade the region's importance for German foreign policy has grown steadily, for three reasons: the crucial question of energy security, efforts to stem migration, and the fight against terrorism and organized crime. Despite a steady deepening of bilateral security ties with individual Maghreb states, German policy in the region remains largely shapeless.

Real and perceived threats

The Maghreb represents a challenge for German foreign policy in several respects. That has to do, firstly, with internal developments within those states. The economic and political situation of the Maghreb states, all of which are still under authoritarian rule, has security implications for their European neighbours. There may be great differences of detail between the trends in Algeria, Libya, Morocco and Tunisia, but across the whole Maghreb region they produce the same highly problematic and potentially destabilizing phenomenon: a lack of prospects for the young. This is the core reason for the widespread wish to migrate, for growing youth unrest, and for the manifest disinterest in formal political processes. The lack of prospects is also an important factor pushing youth towards militant Islamism and organized crime.

Secondly, the external circumstances are not exactly favourable for German cooperation with these states. For some years now international competition over close cooperation with the major Maghreb states has been coming to a head, especially in the fields of energy and security. Russia has returned to the region as a major actor, and the Maghreb states are now also being courted by new international actors like China and India. Gazprom's attempts to secure a quasi-monopoly in the Libyan gas sector have understandably been followed with concern in Germany.

Things are made more difficult for Germany (as well as for other external actors) in this region by the way willingness to cooperate and interest in tackling challenges multilaterally differ widely between the individual Maghreb states. This applies equally to global challenges such as climate change and national issues such as economic reform. Willingness to cooperate is very much smaller in the oil- and gas-rich states of Algeria and Libya than in Morocco and Tunisia, which are much more dependent on stable economic relations with Europe.

Last but not least, developments in German domestic politics and German public perceptions of the region also play a role in shaping relations with the Maghreb states and their populations. In Germany the region is perceived largely negatively. Tunisia and Morocco may be popular holiday destinations, but the Maghreb states generally only hit the headlines when tourists are kidnapped or spectacular terrorist attacks occur. The fact that the region is perceived primarily as a threat has consequences for foreign policy, and is reflected for example in the restrictive granting of visas to young Maghrebians.

Dominance of security and energy interests

The interests governing Germany's activities in the Maghreb are in the first place energy and security. Oil and gas from these states is of growing importance for Germany's energy supply. Libya is today Germany's fourth most important oil supplier, Algeria the eighth. In order to meet growing demand without increasing dependency on Russia, the German government is explicitly seeking to source more natural gas elsewhere, including from Algeria. In the long term, renewables from the Maghreb may be at least as significant (especially solar energy), but for the moment this is overshadowed by the short- and medium-term centrality of fossil fuels.

The Maghreb plays an important role in the fight against international terrorism. For one thing the proportion of Maghrebians in international jihadist networks is relatively high. For another, Algerian terrorism, which was originally directed primarily at domestic targets, has been "pan-Maghrebized" through the formation of al-Qaeda in the Maghreb. In its rhetoric, at least, Europe has also become a potential target. Fear of attacks occurring in Germany has reinforced German interest in internal developments and stability in the Maghreb states and in security cooperation with those states; all the more so since the establishment of the Schengen area shifted Germany's border controls to the Mediterranean. This is one reason for Berlin's growing interest in stemming irregular migration from (North) Africa to Europe.¹

Alongside these security interests in the narrower and broader sense, there is also a manifest interest in improving the position of German business in the Maghreb. Germany may be among the top five trading partners of all the Maghreb states apart from Algeria (in terms of trade volume) but German direct investment remains pretty modest. This is not least due to the legal security deficits in most of the Maghreb states.

The strong emphasis on energy and security leads to the sidelining of numerous other matters that should also be of central interest to Germany. This applies especially to administrative and judicial reforms designed to increase transparency, efficiency and independence, and to intra-Maghreb integration. Apart from improving the environment for

¹ On migration from North Africa and Europe's ways of dealing with it see also the contribution by Steffen Angenendt in this volume, pp. 38ff.

German investors, progress in these areas is essential to the prosperity of the Maghreb states. Likewise, progress on observance of international human rights standards (UN conventions) or a minimum level of political freedoms and social justice in the region is also in Germany's interest, for European security – if it is to be sustainable and long-lasting – cannot be divorced from the living conditions of the Maghreb populations.

Contradictory approaches and prickly partners

A German policy or strategy for the Maghreb region does not exist, aside from largely rhetorical calls for regional integration. Instead there are bilateral relationships of differing closeness. Nor is there a specific policy for this region at the European level, where the policy instruments for the Mediterranean fail to differentiate between the eastern and western Mediterranean. Rudiments of a Maghreb policy can, however, be identified in the southern European states of France and Spain, and to a certain extent in Italy too. All three have a history as colonial powers in the region and maintain correspondingly close – if not uncomplicated – ties.

So far Germany has pursued its primary interests – relating to questions of security and energy supply – primarily in a bilateral framework. Following the Djerba bombing in 2002, Germany concluded a security agreement with Tunisia whose provisions included an exchange of information. With Algeria and Morocco there are agreements governing the repatriation of illegal migrants. Germany also provides those three states with military training on a small scale. Especially in sensitive security matters such as exchange of counter-terrorism information, there is no sign of a pan-European approach yet. In the field of energy there may be a lack of bilateral agreements, but not of determined efforts by German diplomacy to create a favourable climate for energy cooperation and participation by German energy companies.

With the exception of development cooperation (where Morocco is a priority for the Federal Ministry of Economic Cooperation and Development) and the work of German political foundations on the ground, Germany seeks to advance economic and political reforms in the Maghreb mainly through the pan-European frameworks of the bilateral European Neighbourhood Policy (ENP) and the multilateral Barcelona Process that was set up in 1995 and relaunched under the name of Union for the Mediterranean in July 2008.

Using these two diplomatic instruments, and above all through close economic cooperation, the EU is seeking to create incentives for economic, administrative and judicial reform and, last but not least, democratization. The approach is based on the assumption that Europe's long-term security interest is served by a minimum of economic prosperity and political and social justice in the states neighbouring Europe to the south, because this tackles the causes of migration and radicalism and increases state stability.

After fourteen years of the Barcelona process most of these goals are still out of sight. In the Maghreb today there is not a single democratic political system. Only in Morocco can a certain degree of political opening and competition be observed – which the EU has promptly rewarded with “advanced status”, making Morocco the first Arab state to be granted the prospect of successive access to a whole range of EU agencies and programmes.

Nor has Euro-Mediterranean cooperation succeeded in reducing the wealth gap between Europe and the Maghreb in terms of per capita GDP. Quite the contrary, it has actually grown since 1995. Moreover, according to the World Bank the Maghreb is the world’s least economically integrated region. That is largely due to the still-unresolved Western Sahara conflict, which keeps the land border between Algeria and Morocco closed.

Those are some of the difficulties confronting Germany and the European Union in the Maghreb. They are often rooted in a conflict of priorities between short-term security and economic interests and the democratic values and human rights on which German and European foreign policy is based. Since 9/11 and the ensuing international fight against terrorism, the EU and Germany have primarily followed the (short-term) dictates of security cooperation, while the long-term agenda of democracy and human rights has remained largely restricted to rhetoric. The unintended consequence is that the EU and individual European governments have in practice ended up strengthening the authoritarian tendencies of regimes they ostensibly wish to change. The Maghreb states have cited the urgency of fighting the Islamist threat to justify indefinitely postponing political reforms and branding opposition forces as terrorists. Given that repression is an important factor driving youth radicalization, such developments ultimately contradict European security interests.

The successful pursuit of German and European security interests and implementation of the reform agenda is additionally hampered by the refusal of Algeria and Libya to participate in the European Neighbourhood Policy and Libya’s rebuffing of the Union for the Mediterranean. The wealth generated by their oil and gas currently gives both those states a great deal of negotiating power, and both have a strong sense of sovereignty. Consequently neither sees any reason to accede to the externally induced reforms of the Neighbourhood Policy Action Plans, which they regard as interference in their internal affairs.

The sensitivity of Algeria’s response to external encouragement of reforms was witnessed in late summer 2008 when the Friedrich Ebert Foundation was accused of subversion on the grounds of its cooperation with independent trades unions, and as a consequence felt forced to temporarily suspend all its activities in Algeria. A longer-term fall in the oil price could make Algeria and Libya more willing to cooperate, but that is not currently the most realistic scenario.

Little room for manoeuvre

There is good reason to suppose that the circumstances for pursuing German and European interests in the Maghreb are likely to worsen rather than improve in the foreseeable future, above all because of the growing number of international actors showing increasing geopolitical and geo-strategic interest in the region. This narrows the options for Germany and Europe.

The options in the Maghreb today are fundamentally different from those in the Arab East. It is by all means positive that the Middle East conflict is not the all-determining element for the foreign policy of the Maghreb states, although Algeria and Libya often cite it as a reason for refusal to cooperate with Europe in a multilateral regional framework, for example in advance of the summit launching the Union for the Mediterranean in July 2008. Ultimately other conflicts are more important for the diplomatic agenda of these states: the Western Sahara for Algeria and Morocco, and Libya's role in African conflicts. Of course the Moroccan king and Tunisian president have to take account of the strong pro-Palestinian sentiments of their populations, but the Arab-Israeli conflict does not generate the same kind of reform-blocking and conflict-worsening effects in the Maghreb that it has in states in the direct geographical vicinity.

Unlike in the Arab East, furthermore, the United States is not the single dominant external actor in the Maghreb, despite a growing presence especially since 9/11. Because of close social and economic ties rooted in the colonial past, France and – to a lesser extent – Spain and Italy occupy a special position that they work hard to preserve. The French proposal for a Mediterranean Union, which was originally only to include countries actually bordering the Mediterranean, was clearly conceived as an instrument for securing and expanding French influence in the region. France's special role has negative consequences especially for German businesses. German products may be regarded as reliable and German companies as absolutely competent, and Maghreb government officials are always calling for greater German involvement. But when it comes to contracts it is more often a French business that closes the deal. Here the shared language and historically conditioned cultural affinities play an important role.

Nonetheless, France's position in the region should not be overestimated. Competition has long been heating up, and involving an ever-growing number of international actors: the United States, Russia, Spain, Italy, Britain, and increasingly also China, India and Latin American states are looking for energy and security cooperation (including arms sales), involvement in the expansion of regional transport infrastructure and contracts in the construction sector in general.

This competition not only narrows Germany's policy options in the region; it also hampers the European reform and transformation agenda. The more possibilities the Maghreb states have to diversify their foreign trade relations the smaller is Europe's leverage. Officials in Algeria and

Libya make no secret that they prefer to cooperate with states like China and Russia which exert no pressure for reforms.

What German policy for the Maghreb states?

Despite these difficult circumstances, there are certainly opportunities for Germany to occupy new policy fields in the Maghreb and optimise existing cooperation arrangements. But in view of the differences in interests and the negotiating power of the Maghreb states, the possibilities for formulating a policy or strategy for the region as a whole are limited. Nonetheless, it is worth examining the Maghreb separately from the rest of the Arab world in terms of its specific situation and problems and designing projects especially for the region or at least for some of its states. The framework of the Union for the Mediterranean explicitly encourages flexible multilateral cooperation formats (variable geometry). In the form of the Mediterranean Solar Plan, which will probably be implemented initially in North Africa, Germany has made a very promising proposal in this direction within the framework of the Union for the Mediterranean.²

However, Germany must not succumb to the illusion that all Europeans will be pulling in the same direction in the Mediterranean Union. When it comes to the Maghreb the southern Europeans continue to act according to national particular interests rather than European ones; France will export civilian nuclear technology even though Germany holds this to be extremely problematic. German diplomacy can best counter such initiatives by developing attractive alternative projects in a pan-European framework. The aforementioned solar energy plan is a case in point.

Another field where Germany should get strongly involved is the shaping of the structures of the Union for the Mediterranean, which has been slowed almost to a standstill by political blockades linked to the Middle East conflict. Germany can play an important role here by working to prevent the Union for the Mediterranean from slipping into bureaucratic ossification and ensuring that it is instead provided with effective structures and institutions that can quickly begin their work. A smoothly functioning secretariat, in particular, should be a priority. It is a prerequisite for achieving the Mediterranean Union's priority goal of creating jobs quickly and giving the population hope.

But Germany should also attempt to support European policy in the region through measures of its own. With respect to one of the core problems of the Maghreb, the lack of prospects for young people mentioned at the beginning, the European agenda for political and economic transformation and the European initiatives for more cooperation in the field of education are the right answers in the long term. But in the short term targeted action is required on the ground. Here Germany can send positive

² The Mediterranean Solar Plan proposes constructing 20 gigawatts of renewable energy capacity (principally solar and wind power) in the southern Mediterranean states by 2020, for use locally and for export to Europe. See also the contribution by Jens Hobohm in this volume, p. 59ff, especially p. 63 and pp. 64f.

signals and make a contribution of its own, for example by relaxing travel restrictions for young Maghrebians and easing immigration policy. In this case short-term security worries should be set aside in the interest of longer-term security.

Fundamentally, the long-term structural reforms in the region need to be supported by a considerably intensified exchange of visits. The revolutionary generation is passing away in both Algeria and Libya, so it would make sense to develop training programmes for future leaders and expand the number of scholarships for students from the region. As long as there is not a single German school in the Maghreb it can come as no surprise that gifted young Maghrebians look to France and do not think of studying in Germany. One very promising idea would surely be to set up a German-Maghrebian youth programme – similar to the Franco-German Youth Office – or to found a European-Maghrebian youth programme. Better language skills and cultural insight on both sides would also do much to prepare the ground for German commercial activities in the region.

With respect to the great flows of migrants from Africa to the Maghreb states it would be advisable, from the German and European perspective, to support the Maghreb states in setting up asylum systems of their own that comply with the Geneva Convention on Refugees. The material issues here are: rules for access to asylum procedures, standards for recognition, care of asylum-seekers, and legal protection.

Yet, no matter how desirable engagement may be, the German – and European – possibilities for influencing political reform in the Maghreb states must be assessed realistically. That applies in particular to Algeria and Libya. With no sign of political reform in either country, their authoritarian regimes should be kept at a certain distance. Here Germany fares relatively well in European comparison. Muammar al-Qaddafi, has not yet been allowed to set up his tent in front of the Chancellery, nor has Germany joined France in praising Tunisia for non-existent democratization efforts.

Maintaining a graduated and differentiated policy makes sense, because Germany's long-term security depends not only on security cooperation with Maghreb governments but also, and decisively, on Germany's credibility among the local populations there. And here it should be remembered that value-orientated rhetoric of the kind often deployed by leading German politicians generates great expectations, and great disappointment if these cannot be fulfilled. Consequently these politicians should use value- and norm-orientated rhetoric in realistic doses and above all only in cases where the German government is willing to follow words with deeds. The populations of the region benefit more if German diplomats emphatically demand and work for legal security and avoid disregarding human rights violations in these states in the fight against terrorism than if they propagate a declaratory and abstract democratization.

Lastly a plea must be made for a more strongly forward-looking approach to the region. There is a tendency in German and European diplomacy not to notice and respond to challenges until they become un-

avoidable. For example, it was not until an electoral victory of the Islamist Justice and Development Party (PJD) in Morocco seemed possible that thought was given to the question of whether and how one should communicate with the party. Certain developments currently emerging in the Maghreb could become crucial for Germany in the future, but they are barely noticed. This applies for example to the growing disillusionment of the Maghrebian population with legal Islamism and the question of which forces will profit in future from social frustration. Also, the ageing of the population, which is set to become a problem in the Maghreb in two or three decades, needs to be factored into policy initiatives in the region. The Tunisian fertility rate has already fallen below the replacement rate, and the Algerian figure is set to follow suit. The socio-economic and security repercussions in these states, whose retirement and pensions systems are far from prepared for an “age bulge”, will probably be grave, and European neighbours will feel the consequences. Given this background, it is necessary to sharpen awareness of social and political developments in this neighbouring region.

Countering Jihadist Terrorism

Guido Steinberg

Jihadist terrorism certainly poses a threat, both to Europe and to the states of the Middle East and North Africa. But it is not an existential one. The ability of the twenty-first-century jihadists to carry out large-scale attacks causing hundreds of deaths, possibly even thousands once again, puts them in a position to convulse and change Western societies but not to endanger the existence of states. The same applies in principle to the Arab world and Iran, where jihadists are far from being able to topple governments. However, the states of this region are often more vulnerable than in Europe and the West. Where a state or its government has already been greatly weakened (as in Iraq in 2003 or Lebanon in 2007) organizations such as al-Qaeda and their allies are certainly able to threaten their stability. The violence of jihadist groups is often directed against the external supporters of the regimes they wish to destabilize. So countries like the United States, Britain and France become targets for Islamist terrorists – and countering terrorism becomes an important issue for Germany's Middle East policies.

Islamist terrorism presents a great challenge for Germany's Middle East policy, both domestically and diplomatically. For one thing, since 2001 the activities of jihadist groups have increasingly shifted back to the Arab world. From 2003 to 2007 Iraq was the most important battlefield in their fight against the United States, and Saudi Arabia was also affected by a massive terrorist campaign between 2003 and 2005. Since 2007 the threat has worsened in the Maghreb, especially in Algeria. Islamist terrorism has become a nomadic phenomenon in the Arab and Muslim worlds and at first glance appears to have entrenched itself in the region as a whole since 2003. There is a direct threat to life and limb of German citizens there, and to German interests in the region.

This development is also significant for German internal policy and the foreign policy decision-making process. The clear dividing lines between internal and foreign policies have become blurred as a primarily external threat acquired domestic political relevance. If it is to effectively fight the transnational terrorism of the jihadists, the Interior Ministry – which is responsible for fighting terrorism within Germany – has to cooperate more intensively with the governments of the states they come from. This has made the Interior Ministry an increasingly important foreign policy actor since 2001, and coordinating with the Foreign Ministry has become an increasingly tricky task. There is a still unresolved conflict of goals between effective action against terrorism and respect for human rights.

Interests

That conflict of goals does not make it any easier to define Germany's interests in fighting terrorism. The most important interest is certainly for terrorist violence in the region to be contained. Firstly so that it does not cross over to Europe, as happened repeatedly after the invasion of Iraq in 2003. The Madrid and London bombings of 2004 and 2005 were carried out primarily to persuade Spain and Britain to withdraw their forces from Iraq. Since 2007 European security agencies fear above all that North African terrorism could stretch out to Europe. Secondly, Islamist terrorism in the region itself – where it is considerably more virulent than in Europe – must at least be kept under control to prevent it from having negative repercussions on the resolution of regional conflicts and the stability of individual states. Of course it would be desirable for Islamist terrorism to disappear altogether, but that is not for the moment a realistic goal for German and Western policies.

Germany has a great interest in stability in the Middle East, because turmoil in this neighbouring region generally leads to bloody conflicts within and between states and has direct repercussions on Europe too, for example by causing terrorist violence or increasing the numbers of refugees making their way to Europe. The example of Iraq shows what can happen when a regime is toppled and a state descends into civil war. But Germany's interest in stability must not lead it shore up authoritarian regimes. Germany has an at least equal interest in seeing these regimes change and introduce political reforms permitting greater participation and improve the rule of law. This would also represent a contribution to fighting the causes of Islamist terrorism, because all the jihadist groups of today have emerged out of Islamist movements resisting the authoritarian regimes of their home countries.

In this sense Germany also has an interest in cooperating with the states where Islamist terrorism first originated. Countries like Saudi Arabia, Jordan and Syria are much better informed about jihadist networks than the Europeans, because that is where most Islamist terrorists come from. So cooperation with these countries is inevitable, even if none of them provide adequate human rights safeguards for terrorism suspects. But where cooperation with authoritarian regimes collides with the (pre-eminent) goal of fostering political change, it must be suspended or adapted appropriately to the circumstances. Neither our interest in stability nor German counter-terrorism activities must be allowed to strengthen the region's dictatorships.

This conflict of goals is perceived in Germany but not systematically debated. This became clear in winter 2007–08, when a parliamentary commission of inquiry into the activities of the Federal Intelligence Service (BND) discussed cooperation that occurred in 2002 between the German government (then a coalition of Social Democrats and Greens) and Syria. Whereas the German side had hoped to gain information about jihadist networks, the Syrian government was interested above all in surveillance

of Syrian dissidents in Germany. Germany quickly ended the cooperation because the benefits seemed limited. Critics complained above all that the German government had cooperated with a state where prisoners were often tortured. The conflict of goals we are dealing with here is seldom so clearly visible as in the case of Syria – largely because security cooperation with Germany is all but irrelevant for the internal security of the other states of the region, and only in exceptional cases does it draw attention at all.

Cooperation between the United States and certain governments in the region is a different matter. The Bush Administration plainly saw no fundamental conflict of goals. After 9/11 it not only massively expanded joint counter-terrorism activities with long-standing partners such as Jordan, Morocco and Saudi Arabia, but also began working together with anti-Western regimes, of which Syria is the prime example. The United States cooperated across the board with the security forces of these states and even handed over Arab prisoners to them for interrogation, mainly to Jordan, the most important regional partner of the US security agencies. Now, that would make sense if it was about having terrorism suspects questioned in their own language by competent officials with superior (regional and cultural) background knowledge. But here it was also about bypassing safeguards against torture (that the United States had already watered down anyway). In all the aforementioned states – whatever their foreign policy orientations – torture of prisoners is commonplace.

As long as the Bush Administration upheld its democratization agenda for the broader Middle East this practice harmed only the credibility of the United States. But after that line was abandoned in 2005 the American policy led to a very tangible consolidation of authoritarian structures in states such as Egypt and Saudi Arabia, where earlier sporadic reform efforts now ceased. Since then there have been indications that stepping up counter-terrorism activities has actually made the United States the target of terrorist groups that had previously been primarily nationalist. The best evidence of this is found in Algeria. After 2001, and especially after 2003, the United States expanded cooperation with the Algerian state to prevent al-Qaeda gaining a foothold in Algeria and the Sahel. But at that time there were no local affiliates of al-Qaeda operating in Algeria, only the strongly nationalist (and Islamist) Salafist Group for Preaching and Combat (GSPC) whose only aim was to topple the regime in Algiers; the internationalism of Osama Bin Laden and his followers was foreign to this group at that point. Only after the United States intervened did the GSPC move closer to al-Qaeda, merging formally in January 2007. Renamed al-Qaeda in the Islamic Maghreb, the group now increasingly attacks international targets. Of course the internationalization of the GSPC also had to do with the US invasion of Iraq in 2003, but the timing of American intervention in Algeria and internationalization is too obvious to be dismissed as coincidence.

Even if the German government refrains from having terrorism suspects kidnapped or tortured, Germany's cooperation with Arab dictatorships

resembles the American pattern. There is a danger that Germany will be held jointly responsible for American policy as America's junior partner. That is relevant to the extent that it makes it more difficult to fight the causes of jihadism. Jihadist groups are often also fighting the governments of their home countries; indeed it is often the brutal repression predominating in these countries that pushes people out of the country and leads them to become terrorists and join transnational organizations like al-Qaeda. Because support from the United States (and the West in general) helps to keep these authoritarian regimes in power, the West also becomes the target of terrorist attacks. In fact in many cases there would be no need to support the regime. For example in the case of Algeria the stability of the state was never seriously threatened by the GSPC and at the time the group was not interested in foreign targets.

Ultimately, supporting these regimes damages the West's long-term interests, including first and foremost the wish for the populations of the Middle Eastern states to be allowed to participate politically and for the political systems to gradually open up. Given that interest, it cannot make sense to give unconditional support to regimes that are often regarded by their population as illegitimate. Germany can have no interest in becoming an accomplice of these Arab regimes, nor in being perceived as such.

Strategies

One reason why Germany lacks a comprehensive strategy for fighting terrorism in the Middle East is that the special importance of the Arab world for the emergence of jihadism is not recognized. The focus tends to be placed on Afghanistan and Pakistan, or on Europe itself. Accordingly, the various German actors have no shared line that might indicate that they were taking the conflict of goals described above seriously and were attempting to resolve it. The Interior Ministry has become the main actor, conducting counter-terrorism activities with partners in the region as an extension of domestic interior policy and counter-terrorism. The main reason that the conflict of goals does not take on edgier forms is the relative insignificance of these German activities.

When government officials are asked about Germany's strategy for fighting terrorism, they point to a quasi-strategy paper entitled "Countering Terrorism" on the Interior Ministry website.¹ Under the third heading, "Expanding international cooperation", the paper states: "Dealing effectively with transnational terrorism requires close international cooperation." As practical examples, the paper names joint agreements "in the United Nations, the G8 and the EU". This has little to do with the realities of countering terrorism in practice, given that meaningful international cooperation in this field is almost exclusively bilateral. Bilateral coopera-

¹ "Bekämpfung des Terrorismus": www.eu2007.bmi.bund.de/nn_165104/Internet/Content/Themen/Terrorismus/DatenundFakten/Bekaempfung_des_Terrorismus_Id_93040__de.html.

tion is simply the established form for cooperation between police forces, and even more so between intelligence services.

Even if a concept for international counter-terrorism is lacking (or at least unpublished) the German government nonetheless has a line to follow. Since 2001 the Interior Ministry has massively expanded international cooperation, especially with EU member states and the United States, but also with Middle Eastern countries. Cooperation in the Middle East focuses on states where the Interior Ministry and security agencies identify a threat to Germany, but is obviously influenced by foreign policy orientation. It is considerably less problematic to cooperate with pro-Western regimes than with anti-Western ones, even if there is little difference in their respective domestic counter-terrorism methods. The most important field of cooperation in 2008 and 2009 was North Africa, first and foremost with Algeria but later also with Morocco. As a consequence of the GSPC joining al-Qaeda a “pan-Maghrebization” of Algerian terrorism can already be observed. An expansion of terrorist operations to Europe cannot be ruled out and the German security agencies warn of attacks. They have been closely cooperating with Jordan for quite some time too, partly because the Jordanian security forces are comparatively professional. The same applies to Kuwait. Beyond that, the Interior Ministry also has a clear interest in working with Saudi Arabia, Yemen, Syria and other countries that have produced many terrorists and/or have been targets of terrorist attacks.

Cooperation between security agencies occurs by nature out of the public eye, but the relevant bilateral agreements provide some information on lines of cooperation. Such agreements are often preceded by an exchange of visits. From the information that does become available, we can also draw conclusions about the interests of the German government. Security agreements of this kind have become more common than they were before 2001: for example with Tunisia (April 2003), the United Arab Emirates (September 2005), Kuwait (February 2007) and Saudi Arabia (May 2009). In other cases negotiations have taken place or are still in progress. As well as terrorism itself, these agreements also cover terrorist financing and organized crime. The texts, which read more as declarations of intent, are highly standardized and are fleshed out as demanded by the actual cooperation. Police cooperation covers exchange of information and assistance with equipment and training. In the cases where no security agreement has (yet) been concluded there are less comprehensive arrangements (memoranda of understanding).

The signature of the Foreign Ministry is seldom identifiable, even though it must be assumed that all agreements are at least formally coordinated between the Interior Ministry, the Foreign Ministry and the Chancellery. Despite an understanding having been reached between the interior ministers the agreement with Syria was still on ice in 2009. One reason for the delay was a suspensive veto by the Foreign Ministry. The reason for this may have been the sharp criticism of security agencies’ cooperation with Syria in 2002 exercised by the opposition in the commis-

sion of inquiry into the Federal Intelligence Service. But consideration for the United States may also have played a role. Only in exceptions is cooperation in the field of security augmented by political measures.

Policy options and recommendations

The options for German counter-terrorism policy in the region are restricted. The decisive aspect for perceptions of Western policy is the approach of the United States (and in the case of Algeria and Morocco also of France). German policy is largely restricted to discreet cooperation in the field of security and is therefore thoroughly pragmatic.

But it is still confronted with the conflict of goals outlined above. There is a great danger that Germany might be held responsible for the policies of its more active allies. Today German policy and cooperation with local authorities are observed much more closely than pre-2001. That applies for example to Algeria, where in 2007 the press reported German-Algerian talks about a security agreement taking place. In a country where a large part of the population rejects its own government and the security forces have been responsible for decades of human rights violations, such media attention is problematic. Reports about cooperation between German security agencies and their Arab “colleagues” reach the region through the media and harm the good reputation that Germany otherwise enjoys there.

So concepts must be developed to deal with the conflict between effective counter-terrorism and human rights protection. It must always be made clear that stability and political change are equal goals of German policy, indeed that political reforms are a necessary precondition for longer-term stability. Because the policies of the United States and France have led to a strengthening of authoritarian regimes, Germany must try to persuade these partners to change the thrust of their policies. This will – if at all – only be possible if the German government can point to practical initiatives of its own.

Fundamentally, Germany’s political interests must be defined more precisely between the poles of counter-terrorism and political reform. The Chancellery needs to take a more active role than hitherto, because the ministries act largely autonomously. It is not least important to know the other side’s intentions. Often rulers in the Middle East are more interested in suppressing a domestic or exiled opposition than in fighting terrorism. In these cases cooperation is often counterproductive. It is in this context that the limits of cooperation with Middle Eastern dictatorships must be defined more precisely. But there is no state in the Middle East proper where every form of security cooperation should be fundamentally excluded.²

In view of the numerous difficulties the German government should choose gradated forms of cooperation. In certain cases it would be obvious

² Outside the region Uzbekistan represents the biggest problem. Nowhere else is there such a clear conflict of goals and interest for German policy.

to restrict cooperation to the intelligence services and exclude participation of the Federal Office of Criminal Investigation (BKA). Anyway it is often questionable whether a Middle Eastern secret police force can be regarded as the equivalent of the BKA. The Federal Intelligence Service (BND) has accumulated great experience in almost all the countries in the region and by nature conducts its activities clandestinely. So in problematic cases, such as Syria, the German government is able to ensure that information flows without the described conflict of goals becoming an issue.

But where more open cooperation is essential, it must be accompanied by political measures tailored specifically to each particular country. Fundamentally the German government should be more open about the conflict of goals and address it in the wider public context. This includes consistently pointing out violations. That is the only way to prevent periodic outbreaks of emotion ranging from irritation to outrage (primarily among the populations of the Middle East) when discreet cooperation between security agencies becomes public – especially in problematic cases. In the longer term such a transparent political approach can counter the impression that Germany is acting as the accomplice of the respective dictator. In individual cases this might even involve accepting short-term difficulties or even the suspension of cooperation.

The German government should also make offers of cooperation that serve human rights protection and strengthening the rule of law. In this field it already possesses a long-standing spectrum of tools, including training for intelligence services, police and courts and also rule of law dialogues, which need to be targeted more precisely in an overall framework of country-based concepts and presented more effectively to the public.

These measures will not lead directly to changes in the states of the Middle East. But they can serve to make German policy less vulnerable to attack and align Germany's short-term interest in effective counter-terrorism with its longer-term interest in political reforms and better governance. Such a policy can cause fundamental change only indirectly, if it is also taken up by the United States. Without massive pressure the region's dictators will not change, but under it they have in the past turned out to be surprisingly flexible. For example between 2003 and 2005 Egypt and Saudi Arabia acquiesced to the American wish for political reforms. Should such a similar scenario reappear it would make sense to have German and European concepts for such reforms ready.

The Arab-Israeli Conflict

Muriel Asseburg

At the end of 2008, the Arab-Israeli conflict flared up yet again with the war in the Gaza Strip. Although a cease-fire announced more or less in parallel by Israel and Hamas ended the fighting in mid-January 2009, the situation remains precarious. Gaza is still under almost complete Israeli blockade and low-level violence has erupted time and again. Indeed, if a lasting cease-fire and security for both populations are to be achieved, more robust political arrangements will be required. However, prospects for resolving the conflict have not improved since the Gaza war. The outlook is rather gloomy: The Palestinians remain politically divided, with the position of Mahmoud Abbas, who Hamas ceased to recognize as president on 9 January 2009 when his term of office ended according to the Palestinian Basic Law, further undermined. Though Hamas was militarily weakened in the fighting, it has remained an important political force. In Israel, little constructive initiative towards negotiating and implementing a two-state solution can be expected from Benjamin Netanyahu's coalition which took office in March 2009 and spans right-wing and religious parties, his own Likud, and the Labour Party. Currently, all hopes are set on the new US President, Barack Obama. But although he has already begun taking active steps on the Middle East peace process, the financial and economic crisis and other pressing foreign policy challenges (such as Afghanistan, Pakistan, and Iraq, to name but a few) are unlikely to allow him to direct the energy needed to a conflict that none of his predecessors succeeded in resolving.

Neither Germany nor the EU cut a good figure before and during the Gaza War. Over the last years, both pursued policies that contributed to deepening the rift between Hamas and Fatah (as did, of course, the United States) and implicitly supported the blockade of the Gaza Strip. They thus share responsibility for worsening the already miserable humanitarian situation there as well as for the escalation of the conflict between the Palestinian factions and between Israel and Hamas. Attempts by individual EU member states to mediate during the war were not successful in quickly stopping the violence and in achieving an agreed-upon ceasefire. The EU as a whole showed itself to be incapable of acting jointly and coherently to fill the diplomatic vacuum that arose in the handover period between the Bush and Obama administrations and was unable to intervene convincingly to stand up for international law and peaceful management of the conflict.

Nor have Germany and the Europeans done much in recent years to support the rapprochement desired by Israel and Syria. Both the Bush Administration and governments of major European states were more concerned with maintaining the diplomatic isolation of Syria and thus

putting pressure on Damascus to demonstrate a more constructive attitude in Iraq, to refrain from interfering in Lebanese internal affairs and to exert a moderating influence on the radical Palestinian groups based in Syria. While some Europeans – among them the German Foreign Ministry and the Ministry for Economic Cooperation and Development – have tried to keep open channels of communication with the Assad regime, in general, from autumn 2004 on, high-level contacts between Syria and representatives of EU member states and institutions were drastically curtailed. Only with the “Iraq’s neighbouring states” process and the change of government in France in 2007, did a gradual softening of the West’s isolationist policy towards Damascus occur. Still, Europeans were not ready to engage on the Syrian-Israeli track. In the end it fell to Turkey to facilitate indirect talks between Israel and Syria.

German interests

Basically Germany has three decisive interests linked to the Arab-Israeli conflict: firstly, deriving from Germany’s historical responsibility, to guarantee Israel’s security and right to exist; secondly, to defend against security risks emanating from the region, for example in the form of terrorism, irregular migration or organized crime; and thirdly, to maintain good relations with the resource-rich Arab states and Iran, not least for the sake of Germany’s energy security (even though Germany imports only a small part of its energy supplies from the Middle East).

German and European politicians share a consensus that these three main interests would be best served by a peaceful resolution of regional conflicts, first and foremost the antagonisms between Israel and its neighbours. In this, the Israeli-Palestinian conflict is rightly seen as key. There is also agreement in Germany and Europe that that conflict should be resolved through a two-state settlement, complemented by peace agreements between Israel and its Arab neighbours (Syria and Lebanon) on the principle of land for peace as well as peaceful, good neighbourly relations between Israel and the wider Arab and Muslim world. Consequentially, Germany has from the outset engaged bilaterally and in the EU framework to support the Middle East peace process, and has made notable contributions to Palestinian state and institution building.

At the same time, Germany’s political class does not see the country as a neutral third party with regard to the Arab-Israeli conflict. Across all the parties represented in the Bundestag (the German parliament), Israel’s interests and security are clearly favoured over its Arab neighbours’ interests. Accordingly, since the 1960s, Germany has steadily expanded its co-operation with Israel, to a point where social, economic, cultural and scientific ties are today closer than with any other Middle Eastern state. Furthermore, Germany has often acted as an advocate for Israeli interests within the EU and lobbied for Israeli positions. It has actively promoted closer ties between the EU and Israel – the objective of giving Israel “special status” in its relations with the EU was decided at the European

Council of Essen in 1994 – and, at times, worked to prevent the EU penalizing Israeli policies (such as continuing settlement construction). In so doing, Israeli security perceptions and concepts have frequently been adopted unchallenged, even where they blatantly ignored declared objectives of German and European policy as elementary as respect for international law. However, support for this degree of prioritization of Israeli security interests has been shrinking among the general public.

At the same time, the debate about the concrete political obligations that derive from Germany's historical responsibility is by no means closed. That became very obvious, to give but one example, in the debate in the Bundestag over a German participation in a UN peacekeeping mission in Lebanon following the summer war of 2006. Three different – and contradictory – conclusions were drawn from history: (1) history gave Germany an obligation to send troops to protect Israel; (2) Germany should not participate in the UN mission because it was not sufficiently neutral; and (3) Berlin should refrain from deploying armed forces because it was essential to avoid any situation where German and Israeli soldiers might end up in armed conflict. In the end, deploying naval units to the coast off Lebanon to support the arms embargo against Hezbollah and other Lebanese non-state actors represented a compromise that did not tackle the major problems and was not very effective with regards to peace keeping but allowed for the ending of the Israeli naval blockade – and the first-ever deployment of the Bundeswehr (the German armed forces) to the Middle East.

Strategies, concepts, measures – German and European approaches to conflict management

Despite the development of new foreign policy instruments at the European level and the EU's growing ambitions to play a role in global governance, Germany and its European partners continue to accept the United States as the main power broker in the Middle East and resign themselves to playing a complementary role. That said, there were always phases marked by more active political engagement with Germany (in the frame of the EU) working towards conflict resolution, for example in support of the multilateral negotiations established in Madrid at the beginning of the peace process, or during the Second Intifada, when then Foreign Minister Joschka Fischer's Seven Point Plan of 2002 induced a European discussion and policy paper that later led to the Middle East Quartet's "Road Map" of 2003. In the past five years, however, and especially since the Bush Administration's November 2007 Annapolis Conference, Germany and the EU have left politics almost exclusively to the Americans. At the same time, they contented themselves with coat-tailing the political approaches of Israel and the United States (such as isolating Hamas and blockading the Gaza Strip) rather than actively developing and advancing alternatives – also with regards to constructively engaging Syria.

In the aftermath of the 2006 summer war, the Europeans succeeded in persuading the US President to give the peace process another chance, as well as to invite Syrian representatives to the Annapolis Conference. In this way, they put a comprehensive peace settlement back on the agenda. But they did not have the energy or conviction to bring about active international mediation of the peace talks or to engender progress on the Syrian-Israeli negotiating track (the latter partly because of disagreement amongst EU member states – and, for example between the German Foreign Ministry and the Chancellery – about how to deal with Damascus).

Like the United States, Germany and the EU clung to the idea that any solution in the Middle East should be the outcome of direct bilateral negotiations between the parties to the conflict. The international community, they maintained, should make no preconditions or proposals other than the relevant UN Security Council resolutions. This meant that the role of third parties was merely to support talks as facilitators, rather than acting as active mediators. However, to date, this approach has failed to produce the desired outcome, and its prospects of future success are not great either. Veto groups in the respective populations are too strong and elected leaderships too weak and too indecisive to push through the painful compromises that are needed to come to terms. In fact, the outlines of an Israeli-Palestinian settlement are well known, and have been sketched out with the December 2000 Clinton Parameters, the results of the January 2001 Taba Summit and the unofficial Geneva Accord of autumn 2003. Similarly, the main elements of an agreement between Syria and Israel have been negotiated and fleshed out in official and unofficial talks; proposals about how to bridge contradictory interests with regard to access to the Golan Heights and its resources, water first and foremost, are also on the table.

Germany and the EU have so far largely concentrated on measures complementing the US-led negotiations. At the beginning of the Oslo peace process these concentrated on support for rehabilitating infrastructure in the Palestinian territories, establishing conditions for a viable Palestinian economy, and, first and foremost, setting up Palestinian government institutions to form the nucleus of a Palestinian state. Also, the Europeans aimed at creating a regional environment that would be conducive to the peace process and would minimize security risks to Europe emanating from the region. To achieve this, the EU promoted cooperation, integration and confidence-building through the Euro-Mediterranean Partnership (EMP) established in Barcelona in 1995 and through so-called people-to-people programmes. The EU also supported measures designed to promote economic development in the Palestinian territories and in the states neighbouring Israel. The underlying objective was to win the population to political compromise with a tangible economic peace dividend.

In the face of the peace process quickly coming off the rails following the assassination of Israeli Prime Minister Yitzhak Rabin in November 1995, with the impasse in negotiations under the first Netanyahu government (1996–99) and the ensuing breaking off of multilateral talks and

standstill in the Barcelona process, as well as in view of an increasingly authoritarian Palestinian system of governance under Yasser Arafat, Europeans were slow in adapting their strategy. It was only after the failure of the July 2000 final status talks at Camp David and the eruption of the Second Intifada in September the same year that they started to change course. In face of the violence, Europeans saw themselves under increasing pressure to tie their financial support to the Palestinian Authority (PA) to conditions, amongst others with the aim of restricting the influence of Yasser Arafat, whose support for the Intifada drew heavy criticism. Also, they saw the need to move increasingly to emergency and humanitarian support designed to offset the social and economic repercussions of armed conflict and Israeli-imposed movement restrictions. And they began to get more involved in conflict management – not least sending two ESDP missions to the Palestinian territories: EUPOL COPPS to support the civilian Palestinian police force and EU BAM Rafah to train, support and supervise Palestinian border guards following the 2005 Israeli withdrawal from the Gaza Strip and ensure smooth operation of the border crossing between Gaza and Egypt.

Nevertheless, the conflict exploded again in 2006: Hamas won the Palestinian parliamentary elections in January, but was not in a position to establish a well-functioning government as it was soon isolated by Israel, the United States and the PA's main funder, the Europeans. Also, the election loser, Fatah, whose followers continued to dominate the administration and security apparatus undermined its functioning from within. In June, Hamas captured an Israeli soldier, Gilad Shalit, and detained him in the Gaza Strip; and in July Hezbollah captured two more Israeli soldiers and abducted them to Lebanon. Israel responded with a "war on two fronts".

In the aftermath of the 2006 summer war – having failed to work for stabilization of Lebanon immediately after the Israeli (May 2000) and Syrian (April 2005) withdrawals – the Europeans finally became more actively involved in Lebanon, deploying a strong contingent serving as the "backbone" of an expanded UNIFIL force to monitor the cease fire and supporting reconstruction and reform processes to strengthen Lebanese government institutions and the central state. Germany contributed especially in two areas: first by participating in (and for a time leading) the UNIFIL Maritime Task Force enforcing the arms embargo from the sea, and by rehabilitating the infrastructure and training of the Lebanese coast guard, and second by leading a pilot project in northern Lebanon aimed at enabling the Lebanese to more effectively control and manage their borders. The UNIFIL presence, in particular, has without a doubt contributed to securing the cease-fire and stabilizing the region. Still, the conflict is currently more frozen than resolved. So far, only one of the underlying issues that led to the outbreak of war in 2006 has been effectively addressed: In 2008, German intelligence official Gerhard Conrad was able to mediate on behalf of the UN an exchange of prisoners and bodies between Israel and Hezbollah. Reports suggest that Hezbollah has rearmed and

upgraded its arsenal, and that the weapons embargo called for in Security Council Resolution 1701 has not effectively been enforced. Thus, the danger of a renewed military confrontation looms large, since it is improbable that Israel will watch a continued stockpiling of weapons without intervening. Also, there has not been much progress with regard to strengthening the central government in Beirut, as the show of force by the Hezbollah-led opposition in May 2008 brought the country once more to the brink of civil war.

In the Palestinian territories, the tensions between Fatah, which lost the 2006 elections, but refused to give up its grip on power, and election victor Hamas ultimately led to Hamas violently seizing power in the Gaza Strip in June 2007. The ensuing political and territorial division of the Palestinians was further deepened and cemented by the actions of the international community. From the outset, Israel, the United States and the EU set strict conditions for dialogue and cooperation with the Hamas-led government formed in March 2006 – which had emerged from free and fair elections as the EU election monitoring team had testified. With Hamas on the US and EU lists of terrorist organisations, the Hamas-led government was put under pressure to declare its acceptance of three criteria that had been formulated by the Middle East Quartet: to recognize Israel's right to exist, to renounce violence and to commit to all previous agreements between Israel and the PLO. When the government declined to do so, the EU suspended cooperation with it and suspended its budget assistance. And although the EU repeatedly called for Palestinian national reconciliation, the EU made no advances to the government of national unity formed in March 2007. In fact, with its consent to the May 2006 "Prisoners' Document" and the February 2007 Mecca Agreement, Hamas had come very close to making the concessions demanded of it. Instead, Israel and the West undermined the Palestinian national unity government formed in March 2007 – not least through training and military support that Washington continued to supply to Fatah's security forces that prepared for overthrowing the Hamas government.

After Hamas, in a preemptive move, seized power in the Gaza Strip, the United States and the EU pursued what has been termed a "West Bank first" strategy. It was designed to persuade the Palestinian population that President Mahmoud Abbas – who was willing to negotiate with Israel – and the cabinet he appointed under Prime Minister Salam Fayyad were a more promising alternative than Hamas. With this aim, they have given the Palestinian President and the government in Ramallah diplomatic, financial and security support, they have isolated Gaza's Hamas government and they have, at least implicitly, supported the Israeli blockade of the Gaza Strip. Meanwhile, financial and technical support from Germany and the EU have been directed towards three principal objectives: to cushion the drastic social repercussions of the policy of isolating the Hamas government and of the Israeli blockade of Gaza through financial and humanitarian support; to stimulate the Palestinian economy in the West Bank through job creation schemes, investment support and the

establishment of industrial parks; and to equip, restructure and train the Palestinian civil police force to improve law and order in the Palestinian territories.

Overall, though, this policy has not only contributed to catastrophic humanitarian conditions in Gaza, but has also counteracted European initiatives striving to establish efficient and democratic institutions of government in the Palestinian territories – as two competing authoritarian political systems have started to evolve in the West Bank and the Gaza Strip. Also, in recent years, EU member states have had to spend ever increasing amounts simply to alleviate the humanitarian impact of the blockade and to avert the complete collapse of the Palestinian Authority. And while some economic progress has been felt in 2009 after Israel dismantled some movement restrictions in the West Bank, Europeans have not succeeded in deploying their resources in such a way as to set in motion sustainable economic development or to bring about the creation of a legitimate and democratically controlled Palestinian security apparatus – particularly so, as it was not accompanied by a political process towards conflict settlement after the Annapolis process had ground to a halt in late 2008.

Challenges, policy options and recommendations

The situation is paradoxical: While a two-state solution has become the internationally accepted paradigm for the settlement of the Israeli-Palestinian conflict, and has been supported by majorities in both populations (albeit diminishing majorities), the prospects for its realisation are fast disappearing. The increasing fragmentation of the West Bank caused by continued settlement construction, settler roads, checkpoints and the separation barrier as well as the political and territorial separation of the West Bank and the Gaza Strip make a two-state solution ever less likely. Also, the level of violence in the Middle East has increased significantly in recent years with the Second Intifada, the 2006 Lebanon war and the 2008–9 Gaza war, and each new round of conflict has further radicalized the populations, increased the popularity of radical forces in the region and reduced the room of manoeuvre for those working for a peaceful settlement through negotiations. Thus, it is all the more urgent for Europeans – who have hitherto been focused on conflict management and on cushioning the consequences of violent conflict – to shift to policies aiming to bring about conflict settlement.

German (as well as European) politicians should be aware that their professions of concern for Israel's security will be increasingly regarded as mere lip-service unless they take on greater responsibility for conflict settlement and are willing to cover a share of its costs. Of course, neither Germany nor the EU can end the Middle East conflict on their own. So the point should be to work determinedly together with the new US administration, the conflicting parties and regional forces for a viable and comprehensive settlement. Barack Obama took the initiative immediately after

assuming office by announcing an “aggressive engagement” for Mideast peace, and by appointing Senator George Mitchell as special envoy for the Middle East and sending him to the region. For the Europeans, this should not be used as an excuse to sit back and once again leave the politics to Washington.

Any European and US policy that is set on achieving a lasting settlement to the conflict – or even just effectively containing it – can no longer ignore Hamas and the Gaza Strip. In the short term this will mean decisively supporting rather than obstructing Egyptian-mediated talks that aim at a reconciliation between Hamas and Fatah and a new power-sharing arrangement. The EU should therefore signal its willingness to cooperate with any transitional Palestinian government or interim body that is supported by all the relevant political groups. That should include financial support, regardless of whether Hamas remains on the EU’s list of terrorist organizations, as long as the government and militias linked to it abstain from violence and stick to earlier agreements. Fatah and Hamas will have no alternative but to cooperate in order to allow presidential and parliamentary elections to take place in early 2010. Indeed, only a president with renewed electoral legitimation would have enough popular backing to engage in negotiations with Israel and to carry through implementation of a future agreement. Also, power-sharing is a necessary condition for European efforts at building Palestinian governing and security institutions to be successful – as efficient and legitimate democratic institutions cannot be established as long as the West Bank and Gaza remain governed by competing government and democratic institutions like the Palestinian Legislative Council remain defunct.

A cease-fire between Israel and Hamas can only last if it takes into account the security needs of both sides and permits economic development in the Gaza Strip. But the latter is impossible under the almost complete blockade imposed following the kidnapping of Israeli soldier Gilad Shalit in June 2006 and further tightened after Hamas seized power in June 2007. A permanent opening of the border crossings to Gaza – as stipulated in the Agreement on Movement and Access negotiated in 2005 under the auspices of then US Secretary of State Condoleezza Rice – is one of the elementary preconditions for reconstruction and economic development. In addition, an agreement among all parties involved (Israel, the Palestinian Authority, Hamas, Egypt, and the EU) is needed to allow the Rafah border crossing between the Gaza Strip and Egypt to be reopened and for the European border assistance mission, EU BAM Rafah, to resume its operations. And lastly, if a cease-fire is to be viable, it must include the West Bank.

The failure of the Annapolis Process has demonstrated yet again the futility of the international community’s approach of leaving resolution of the Middle East conflict to the parties. This approach, without active international mediation, has failed in the past and is bound to fail in the future. Therefore, a shift to a mediation that actively assists the parties to overcome their differences – rather than a third party role that principally

focuses on facilitating talks – is long overdue. That would include the international community, represented by the Middle East Quartet, presenting a blueprint for a final status agreement. Europeans and Americans should also think intensively about concrete offers for an international military presence to monitor the implementation of an agreement and secure the peace as well as about other contributions that can help to bridge the gaps between the parties with regard to final status – chief among them the refugee question.

With the new US Administration, US-Syria relations have started to significantly improve. There is a chance that the indirect Syrian-Israeli talks facilitated by Turkey could be continued and even transformed into direct talks under US auspices. Damascus is interested not just in a peace process, but in a peace agreement that would end the country's isolation, improve its economic prospects, and enhance President Bashar al-Assad's popularity in his own country – if he succeeded in regaining the Israeli-occupied Golan Heights. The EU should strongly support such negotiations. In this context, Israel, the United States and Europe should avoid the mistake of making Israeli-Syrian negotiations conditional on an end to the close Iranian-Syrian relationship. The logic of Middle East dynamics works, in fact, the other way round: if Syria makes peace with Israel, this will contribute to an overall calming of the region, it will have a restraining effect on the militant Palestinian groups based in Damascus and it will make a permanent pacification of the Israeli-Lebanese front possible. Also, the interests of Iran and Syria would automatically converge less strongly than is the case today. In addition, it is in the interest of Europeans, the United States and the region to stabilize rather than destabilize Syria – a country that is geographically sandwiched between several conflict zones, that suffers from the repercussions of these conflicts, above all through a massive influx of refugees, and whose stability is vital to prevent a regional flare up. Therefore, Europeans should also continue to support measures that aim at long-term stabilization and socio-economic development in Syria. That would mean to quickly ratify and implement the Association Agreement which has already been negotiated and initialled several times and to complement it with an ENP Action Plan.

Iraq

Guido Steinberg

Any more proactive German policy on Iraq runs into two immediate difficulties. For one thing, the security situation in Iraq is still poor; for another, German lost a lot of friends in Iraq by largely ignoring the country between 2003 and 2008.

The situation in Iraq remains instable, although security improved noticeably in the course of 2007 and 2008, when US forces succeeded in containing the civil war that broke out in 2005 between Sunni and Shiite groups. But the level of violence is still very high and any involvement in the country is associated with great risks. Outside of Iraqi Kurdistan and certain provinces in the south, neither the German nor the Iraqi government can guarantee the safety of staff working for German companies and organizations.

German and French rejection of the Iraq War caused a rift within the European Union, between states refusing to support the United States and Britain and those committing troops for the planned post-war stabilization efforts (Spain, Italy, Poland, the Netherlands and others). Chancellor Gerhard Schröder's successful instrumentalization of the Iraq War in the 2002 national elections also caused considerable ill-feeling within German domestic politics. Both these factors prompted the grand coalition of Christian Democrats and Social Democrats that took office in 2005 to keep clear of the Iraq issue, in order to avoid reopening conflicts with the United States, among European nations, and within the governing coalition. The paralysis of German policy toward Iraq has given Iraqis the impression that Germany is not interested in their country. So the first task for German diplomacy will be to set about regaining lost trust.

When Germany did finally reopen the Iraq question in 2008 the government concentrated on promoting economic relations. This new beginning also had a transatlantic dimension. The Bush Administration and its Iraq adventure had been extremely unpopular in Germany. With a new president in Washington it has become easier to justify German involvement to a domestic audience. That must be seen as the background to Foreign Minister Frank-Walter Steinmeier's first visit to Iraq in February 2009.

Interests

The German government is generally hesitant when it comes to defining Germany's interests in the world. This applies especially strongly to Iraq, where Germany only resumed an active role in summer 2008. The government plainly fears that a clearer definition of its own interests would provoke questions as to why Germany refrained for so long from pursuing them. After 2003 German policy remained thoroughly passive, largely

restricted to making it clear that Germany would under no circumstances send troops and that no German organization – public or private – was to send staff to endangered regions.

The predominant German interest in Iraq is preserving the country's stability and territorial integrity, because a collapse or fragmentation would unleash numerous local and regional conflicts. Especially during the civil war that raged from 2005 to 2007 there was a clear threat that Iraq could fall apart. Even in autumn 2009 the danger of fragmentation into two, three or more parts is still present. The greatest danger now is secession of Kurdish northern Iraq. The Kurdish parties placed their stamp on the federal character of Iraq's 2005 constitution, and only a state that guarantees their constitutional right to preserve and expand the autonomy of Kurdish northern Iraq stands any chance of survival. So federalization of the country is also in the German interest.

Germany's interest in stability and territorial integrity is closely linked to its interest in limiting the negative repercussions of prevailing tensions on regional stability. The politics of the Middle East are already characterized by numerous conflicts. Insurgency and civil war in Iraq have exacerbated regional frictions and provoked indirect – and sometimes direct – intervention by neighbouring states. Iran, the most important actor, influences the Shiite/Kurdish central government in Baghdad and numerous Shiite groups in the centre and south of the country. Iran has so entrenched this position that the protests of Arab neighbours look like feeble gestures. Greater dangers for regional stability threaten from the situation in the north. The emancipation of the northern Iraqi Kurds encouraged the mobilization of Kurdish minorities in Turkey, Iran and Syria. If this development were to progress, or the Kurds in northern Iraq were to declare an independent state, the neighbouring states might intervene more forcefully. Then there would be a danger that the conflict could escalate into a regional one. Overall it is in Germany's interest for the new Iraq to make a contribution to resolving regional conflicts rather than once again becoming their starting point.

The interest in the stability of the new Iraqi state is also bound up with the interest in containing Islamist terrorism. Although the country's most important terrorist organization, al-Qaeda in Iraq, has been weakened, there is still a danger that the jihadists could expand their activities to neighbouring countries or even to Europe and Germany. The Iraq War was the central factor motivating al-Qaeda's attacks in Europe. The Madrid and London bombings of 2004 and 2005 were designed to persuade Spain and Britain to withdraw their forces from Iraq. Iraqi groups also conducted logistical operations in Europe in support of the insurgents in Iraq. But European security agencies overestimated the danger presented by European fighters returning from Iraq. Anyway, given that the overwhelming majority of jihadists come from the Arab world they pose a danger primarily to their home countries – and indirectly to regional stability – rather than Europe.

To the extent that there is any debate at all on Iraq in Germany, the refugee question is foremost, focusing more on the Iraqi refugees abroad (about 1.5 million in Syria and 500,000 in Jordan) than on the internal refugees in Iraq (roughly 2.5 million). The capacity of Syria and Jordan to deal with refugees has been far exceeded, and increasing social and economic problems resulting from the massive inflow of refugees are endangering internal stability, especially in Syria. Syria's crucial role in the Arab-Israeli conflict and Lebanon makes it essential to avert destabilization there. As many refugees as possible should be enabled to return to their homeland. Germany has also an interest in helping as many internal refugees as possible to return to their cities, firstly for humanitarian reasons, but also to avoid a situation of entrenched resentment between Sunnis and Shiites of the kind caused by earlier displacements, for example between Kurds and Arabs, that exacerbate conflicts to this day.

Another German interest of a more indirect nature concerns security of energy supply at acceptable prices. So far Germany (like the EU) has failed to formulate an energy policy of its own for Iraq, and shows no direct interest in participating in the country's energy sector.¹ Iraq possesses about 9 percent of the world's proven oil reserves and more than 2 percent of the gas reserves – and large parts of Iraq have yet to be prospected. Experts expect significant new finds. Iraq currently produces about 2.45 million barrels per day (June 2009). If it can expand production to four or even five million barrels per day over the coming years, that would represent an important contribution to longer-term stabilization of energy prices. Furthermore, the reserves in the Gulf region will become more important in the coming decades because the oil and gas reserves in other regions will run out first.²

Finally, Germany is also interested in intensifying trade with Iraq. During the 1960s and 1970s Iraq was one of (West) Germany's most important trading partners, and has the potential to regain that position. What makes the country so attractive for trade and inward investment is its enormous wealth of energy resources. Although Iraq's oil exports have remained far below its government's expectations, price rises since 2003 have considerably improved the financial situation of the Iraqi state. In 2008, despite price falls in the second half of the year, its oil revenues amounted to about \$62 billion, which was almost 50 percent more than the previous year's figure.

One of the most urgent priorities is a comprehensive overhaul of Iraq's infrastructure, including the energy sector. The reconstruction measures of 2003 to 2009 have unfortunately only borne fruit in Kurdish northern Iraq, and the Arab regions continue to suffer the aftermath of three wars

¹ One exception is the involvement of German oil and gas operator Wintershall, a subsidiary of BASF, which intends to participate in prospecting for new oil and gas fields in Iraq.

² On the potential significance of Iraqi gas for the Nabucco Pipeline see the contribution by Jens Hobohm in this volume, pp. 59ff.

and the post-2003 insurgency. Here there are numerous opportunities for German businesses.

Strategies and measures

Until 2008 German policy was concerned above all with avoiding the issue of Iraq. A contribution to debt relief and assistance in training Iraqi security forces served in the first place to improve Germany's frayed relationship with the United States. Signs of an explicit German policy towards Iraq have only reappeared since 2008.

Until then worries about reopening the rift within the EU – and within German politics – played an important role. For a long time Iraq seemed to be a taboo issue for the grand coalition of Christian Democrats and Social Democrats that took office in November 2005. Germany left it to the EU, which was not much more proactive itself. As well as the conflict-laden nature of the issue, its unpopularity also mitigated against further activities. Too great was the rejection of the Iraq war in the European population and too widespread the view that the Americans should solve the problems caused by the war on their own. To this day the Iraq policy of Germany and Europe is not much more than a collection of isolated measures with limited overall impact. Despite increased activity since summer 2008, Germany plays no significant role in Iraq.

Germany's most important contribution was €4.3 billion of debt relief in the Paris Club framework at the end of 2004. Maximum debt relief was of course a necessary precondition for Iraq's reconstruction and economic recovery, but Berlin was primarily motivated by a desire to improve relations with the United States. Germany's financial contribution was considerable; the political returns miniscule.

Germany also contributed to Iraqi reconstruction, concentrating on political institutions and the economy. German party-political foundations trained observers for the 2005 elections, organized seminars for representatives of Iraqi NGOs and advised Iraqi politicians and experts on constitutional matters. Supplying political and administrative expertise ("capacity-building") is one of the main aspects of German involvement.

Alongside debt relief, the German government supported economic reconstruction almost exclusively by putting German businesses in touch with Iraqi contacts in third countries (Jordan) and in Germany. Not until 2008 did the German government become more proactive. In June 2008 the German Iraqi Economic Commission met for the first time in twenty-one years under German Economy Minister Michael Glos and Iraqi Industry Minister Fawzi Hariri. In July the two signed an agreement on promoting and protecting investment, shortly after Glos visited Iraq as the first German cabinet minister to do so since the US invasion. The trend of increasing German activities continued through the autumn. In October the first German business delegation travelled to Iraq, to Erbil in the secure north where a consulate was opened in early 2009.

Certain activities in the security sector reflect the German interest in a stable Iraq. Thus the German government supports the rebuilding of the Iraqi police force and military through training measures conducted in Abu Dhabi. The first training course for Iraqi police officers was called off in 2005 by the Iraqi Interior Minister for nebulous reasons. Police training in Abu Dhabi resumed in 2008, in an altered form restricted to criminal investigators and military engineers. A number of Iraqi army officers have been trained at the German Commander Staff College (Führungsakademie der Bundeswehr) in Hamburg. But all these measures are of a largely symbolic nature and none have had any impact on the situation in Iraq.

In the refugee question Germany supports multilateral organizations looking after refugees within Iraq and in neighbouring states (in the first place the UNHCR), as well as providing funds for Iraqi refugees out of the budgets of the Foreign Ministry and the Ministry for Economic Cooperation and Development. The latter was announced to great publicity in August 2007 during a visit to Syria by Development Minister Heidemarie Wiecek-Zeul, where she promised €4 million for the refugees in Syria. German aid also reaches the Iraqi refugees via the European Union. More a side-note in this context was Interior Minister Wolfgang Schäuble's proposal in April 2008 that Germany should accept Christian refugees from Iraq. The EU Interior Ministers agreed to accept ten thousand Iraqis classified as hardship cases by the UNHCR. Germany is accepting 2,500 of them, mostly Christians and members of other persecuted minorities.

In diplomatic terms, Germany also supports the international compact launched in May 2007 at Sharm al-Shaikh, where Iraq, its immediate neighbours (Iran, Jordan, Kuwait, Saudi Arabia, Syria, Turkey), Egypt, Bahrain, the five permanent members of the UN Security Council, and the G8 states (including Germany) agreed to work together more closely to stabilize the situation in Iraq and its neighbourhood. Since then the working groups on refugees, security and energy have met several times. From the perspective of creating regional security structures it makes sense to support this process, but it has yet to produce any tangible results.

All in all, German support for Iraq has been largely symbolic. This can be taken as a sign that the German government believes that Iraq remains an unpopular issue even after the end of the Bush Administration. Only in the field of trade have German activities increased noticeably – a clear indication that the economic interest enjoys priority for the German government.

Possibilities and options

The most important task for the government in coming years will be to counteract the widespread impression in Iraq that Germany has no interest in what goes on in the country. Visits by high-ranking politicians such as Economy Minister Glos and Foreign Minister Steinmeier send an important signal, and the Chancellor should follow suit. Past visits have staked out trade and to an extent cultural exchange as the active policy

fields, but this restriction does not reflect the diversity of Germany's interests in Iraq. Possibilities of expansion should be explored.

The still fragile nature of the security situation limits the possibilities for intensifying cooperation. To date it has not been possible for German training staff to operate inside the country. Cooperation with Iraqi security forces is anyway fraught with difficulties, because the police in particular have a dreadful reputation. Many Iraqis, especially Sunnis, fear the police, who are still largely former members of Shiite militias. If the current government were to consolidate its position and develop more strongly authoritarian traits, there would be a danger that states cooperating with Iraq would be perceived as accomplices.³ So anything more than symbolic cooperation with the Iraqi police is not yet on the cards. A complete restructuring of the Iraqi Interior Ministry and all bodies under its authority would be a necessary precondition for intensifying cooperation. The army enjoys a much better reputation in the country, so it could be worth looking for possibilities of cooperation there.

Germany's Iraq policy should concentrate on two things: trade and the refugee question. Especially in trade, the two countries' interests are very close; indeed, Iraq has been calling for greater German economic involvement since 2008. Northern Iraq in particular has been booming for some time, but the situation in the south is improving too. So far it seemed sensible principally to expand contacts with the Kurdish north, which has already begun. Foreign Minister Steinmeier's visit in February 2009 marked the end of the German government's previously stand-offish position. But there is still a lack of substance. The founding of a German-Iraqi Chamber of Trade in Baghdad (with a branch in Erbil) could contribute to deepening trade relations. The trade office in Baghdad should be expanded into a chamber of trade. Altogether, the German government could place a much stronger emphasis on cooperation with the Kurdish north. The proposals by Shiite politicians to expand contacts with "secure" provinces in the centre of the country south of Baghdad are notable. The security situation in this region is now acceptable and the potential for economic development is large.

Increased commitment in the refugee question is necessary at the same time. It is, incomprehensibly, an absolutely marginal issue in German policy even though it represents a great threat to the stability of Iraq and the region. Syria in particular urgently needs help dealing with its huge numbers of Iraqi refugees, but the dimensions of the problem call for a European initiative. Education and training especially should be at the centre of German activities. Accepting 2,500 refugees is a first step in the right direction, and the German government should continue to restrict the programme to individuals registered as hardship cases by the UNHCR. Even if the majority of them turn out to be members of religious

³ On this theme in general see the contribution on "Countering Jihadist Terrorism" in this volume, pp. 15ff.

minorities, the impression should be avoided that Germany only wants to take in Christians.

The German government should begin tackling the question of internal refugees. For example, Germany should consider participating in projects for internal returnees, if possible in a European framework. Education and training could form a centrepiece of the German contribution here, too. Because the security situation in the rest of Iraq is still tense it would be obvious to start by focusing on Kurdish northern Iraq. Germany has taken a long time to begin thinking about Iraq again. That makes it all the more urgent now to steadily expand the rudiments into a proper German policy.

Migration

Steffen Angenendt

In Germany and the European Union there is great concern about uncontrolled immigration from the Middle East and North Africa. There is no doubt that the region continues to represent an important source of migrants, and demographic, economic and social trends there mean that outflows to the EU are likely to increase rather than decrease. However, rather than focusing solely on these outflows, German and European politics should also take into account that some countries in the Middle East and North Africa are already experiencing substantial inflows of labour migrants and refugees from other parts of the world and have, in addition, also become transit and destination countries. Migration flows in the region are increasingly complex, and they may have – as in other parts of the world – positive and negative outcomes. Some flows may have a positive impact on the receiving countries' human capital stock and may foster economic and social development, while others may strain local infrastructures, weaken social cohesion, trigger social and political conflict and undermine national or regional stability and security.

Germany and the EU should keep a close watch on these complex migration patterns, so as to detect challenges at an early stage and have time to assess the chances of dealing with them cooperatively. The regional patterns of migration are outlined below, clearly spotlighting the challenges involved in dealing with refugees, irregular migrants and labour migrants and exploring the interests, strategies and options for German and European policies.

Migration trends in North Africa

From the German and European perspective North Africa is perceived as a one of the main places where migrants come from. In fact the patterns of migration in most of the states in this region involve a combination of emigration, immigration and transit migration.

There is a long history of emigration from the Maghreb states, with migrants settling in the former colonial powers as well as in many other EU member states. Today most live in France, Belgium, Spain, Portugal, the Netherlands and Germany, with North Africans making up an especially high proportion of the immigrant population in Portugal and France. The migration trends vary widely between countries. For example the Algerian population in France has increased only slightly in recent years, but much more strongly in Italy and Spain.

The economic significance of emigration for North Africa is relatively small. In 2007 only about \$18.2 billion in remittances flowed into the Maghreb states (5 percent of the global total), representing between 1.6

percent of GDP in Algeria and 9 percent in Morocco (by way of comparison, the figure for Jordan was 22.7 percent, Lebanon 24.4 percent).¹ Nonetheless, no North African state wants to do without these capital inflows, so their governments call emphatically for the possibilities of legal emigration to Europe to be expanded. They also hope this will help them find employment for the younger generation, whose numbers are growing quickly because of demographic trends and who have almost no chance on the local job market (youth bulge).

Immigrants to the Maghreb states originate primarily from sub-Saharan Africa. Many wish to travel on to Europe, while others seek employment opportunities in North Africa. A growing proportion of transit migrants in North Africa now originate from much more distant parts of the world. The European border control agency, Frontex, has registered increasing immigration from China, India, Bangladesh and Pakistan. The two migration routes most commonly used by sub-Saharan migrants attempting to enter the EU illegally run from West Africa through Niger and Algeria to Morocco, and from Egypt to Libya and Tunisia. However, the reinforcement of EU external border controls in the Mediterranean has made it more difficult to reach Europe and increasing numbers of migrants choose to remain in the Maghreb states. These countries are not prepared politically, institutionally or socially for that scale of immigration.

For all the dynamism of these migration trends it must be remembered that the total number of migrants in North Africa in 2005 was less than 2 million, according to UN estimates, representing not more than 2 percent of the population. Only in Libya is the figure about 10 percent. In fact, a comparison of the migration statistics for 2000 and 2005 shows that the proportion of migrants in the populations of most North African states has decreased slightly (the exception being Sudan).

Migration trends in the Middle East

The picture is different in the Middle East, where countries have accepted significantly greater numbers of migrants in recent years. In 2005 an estimated 19 million migrants lived in these countries, or 10 percent of the population. The number has grown especially fast during the past decade, increasing by about 17 percent or 3.2 million just between 2000 and 2005. The increase affects all the Mashrek states apart from Iraq (from where almost all migrants returned to their home countries or third states after the Gulf War of 1990–91).² Since then Syria has accepted the most immigrants in terms of total numbers, largely Iraqi refugees. Jordan, Lebanon and Syria currently have the highest proportions of migrants in

¹ World Bank, Development Prospects Group, Migration and Remittances Team, *Revised Outlook for Remittance Flows 2009–2011*, March 2009, Migration and Development Brief 9, Excel Data for Brief, http://siteresources.worldbank.org/INTPROSPECTS/Resources/RemittancesData_March09-Release.xls.

² “Mashrek” is the Arabic name for the Arab East, the fertile crescent stretching from Egypt to Iraq.

the Mashrek, with 39.1, 18.5, and 5.4 percent of their population, respectively, according to UN estimates that include Palestinian refugees.

Migration patterns in the Middle East are still largely determined by refugee movements within the region. At the end of 2007 the UN Refugee Agency (UNHCR) was responsible for 1.8 million refugees in Syria, 500,000 in Jordan and 250,000 in Lebanon, while the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) cared for another 1.9 million Palestinians in Jordan, 1.8 million in the West Bank and Gaza, 460,000 in Syria and 416,000 in Lebanon.

As well as these movements there is also migration to the EU and other industrialized countries (above all the United States). Less qualified workers are most likely to emigrate, although all the states of the region also suffer a brain drain (loss of highly skilled workers). Emigration in turn increases regional demand for labour migrants from other regions of the world; many who leave are replaced by immigrants from East and South Asia. For example Lebanon issues about 55,000 work permits annually for East Asians alone.

This exceptionally heterogeneous pattern of migration is also reflected in remittances. According to the World Bank, Egypt and Lebanon are the main recipients; in 2007 alone remittances to Egypt amounted to \$9.5 billion and to Lebanon \$6 billion. The economic importance of diaspora remittances varies greatly between countries, with their proportion of GDP in 2007 ranging between 2.2 percent in Syria and 24.4 percent in Lebanon.

The states of the Gulf Cooperation Council (GCC) occupy a key position in the region's migration patterns. No other part of the world has higher proportions of migrants: UN figures for 2005 put the proportion of foreigners at 78 percent in Qatar, 71 percent in the United Arab Emirates and 62 percent in Kuwait. Because of their strong dependency on labour migration the Gulf states have attempted to diversify its sources in recent decades. Some have slashed the proportion of Arab labour migrants while encouraging immigration from south-east Asia. These days the Mashrek countries provide only a part of the migrant labour in the Gulf states. The International Organization for Migration expects the indigenous labour force to double over the next two decades in certain Gulf states, above all in Saudi Arabia and the other GCC states. This could have a serious impact on the scope and structure of labour migration in the Gulf states.

What challenges do these migration trends present for Germany and the EU, and what could be appropriate political options? This question is examined below for the most important groups: refugees, irregular migrants and labour migrants.

Refugees

Current refugee migration to Germany is still determined by the uncertain situation in Iraq. In 2008 31 percent of asylum applications (namely 6,836) were made by Iraqis, whose proportion has increased over recent years even as the total number of asylum-seekers has fallen dramatically. The

only other country in the region under consideration here to be found among the top ten countries of origin of asylum-seekers in Germany is Syria, with 3.5 percent. A similar picture is found for asylum applications in the EU as a whole, where in 2006 and 2007 by far the most applications were made by Iraqi asylum-seekers, namely 38,286. In 2007 Germany accepted about 8 percent of the refugees arriving in the EU, including a slightly higher proportion of the Iraqi refugees (11 percent). But to put those figures in perspective, if we calculate the “refugees per capita” for each country’s population we find Germany at the bottom end of the EU scale with 0.2 asylum-seekers per 1,000 residents (by way of comparison Cyprus has 8.7, Sweden 4.0, Malta 3.4, Greece 2.2).³

This has encouraged refugee organizations to call on the German government to adopt a more generous acceptance policy, especially where applicants from Iraq are concerned. In response the German government has repeatedly pointed to the low recognition rate for asylum-seekers, which it says shows that only a small proportion of applicants are genuinely in need of protection. Indeed, the recognition rate in 2007 for refugees from the region discussed here ranged between 0 percent (for Moroccans and Algerians) to 3.5 percent (Iraqis). However, the recognition rate says nothing about the number of refugees actually given protection, which is higher. What tells us more is the total protection rate that indicates how many were either recognized as refugees or granted some other form of protection (possibly temporary). In 2007 the total protection rate for Iraqi refugees was 72 percent, which goes to show that ultimately the authorities and courts believe a large proportion of these people are in need of protection.

Since the early 1990s the German government has pursued a policy of reducing inflows of asylum-seekers. In the wake of the wars in former Yugoslavia and the break-up of the Soviet Union the number of refugees entering Germany shot up to a historic high of 438,000 asylum applications in 1992. The planned reduction has been largely achieved: by 2008 the number of applications had fallen to just 6 percent of the 1992 figure. The German government achieved this reduction by amending the constitution to restrict the previously unconditional right to asylum and working with other EU member states to introduce targets and instruments to reduce the number of applicants (safe third country rule, safe countries of origin rule, airport procedures, joint border patrols, harmonization and standardization of visa procedures).

The upshot of this policy is that there is now almost no way for a refugee to enter the EU legally to apply for asylum. Making it more difficult to enter the EU has hollowed out refugee protection in the EU member states. This has implications for the viability of the international regime based on the Geneva Convention on Refugees. One consequence could be that it would be more difficult for Germany and the EU to persuade other states

³ The figures given in this section are taken from official data of the Federal Office for Migration and Refugees (BAMF) in Nuremberg.

to observe the Convention and to find local solutions for refugee problems. If EU member states more or less stop accepting refugees they can hardly expect other countries to do so – or only at the expense of great financial support. But protracted refugee situations can pose a sustained threat to the stability of a region, as aptly demonstrated by the Palestinian refugee problem in the Middle East. So a properly functioning, internationally coordinated refugee protection system is in the German and European interest.

But a corresponding political strategy to strengthen refugee protections can be found neither in Germany nor in the EU. The focus in recent years has been entirely on reducing numbers and streamlining national recognition procedures. The EU heads of state and government have declared that the upcoming “second phase” of European asylum policy will be about improving the level of protection for refugees. That would offer a suitable framework for a sustainable refugee policy, but so far the debate has shown no signs of progress in this direction.

To push negotiations forward Germany could call more strongly for a harmonized EU refugee policy that would guarantee equal acceptance criteria and standards of asylum procedures and could indeed reopen the possibility of legal access to asylum. The German government could also push the discussion about a European resettlement policy, where EU member states would accept contingents of refugees from first host countries for whom no permanent solution can be found in their country or region of origin. As well as humanitarian aspects, strategies for avoiding regional destabilization could also play a role when considering which refugees to include in the scope of such programmes. There is also still a need for action on Iraqi refugees. Although the EU interior and justice ministers decided in November 2008 to accept up to 10,000 Iraqi refugees (of which Germany will take 2,500), the figure would appear inadequate in the light of the EU Fact-Finding Mission’s assessment that 75,000 Iraq refugees have no option of returning.

Irregular migrants

For Germany and the other EU member states the question of reducing the numbers of irregular migrants has been high on the agenda in recent years. A large proportion of migration cooperation in the EU – both with respect to asylum policy and joint policing of external borders – has been directed towards efforts to prevent this kind of migration.

The number of irregular immigrants in the EU is not known; all we have to go on are empirically and methodically unsatisfactory estimates. Most analyses conclude that between 400,000 and 800,000 new irregular migrants arrive in the EU every year, and that their current total represents about 10 percent of the 56 million officially registered immigrants.

The Maghreb and Mashrek states are important countries of origin in their own right, but they also serve – as explained above – as transit points for immigrants from more remote parts of the world. For the numbers of

irregular immigrants within these states, too, we only have rough estimates. It is assumed that there are at least 100,000 respectively in Mauritania and Algeria, 1 to 1.5 million in Libya and 2.2 to 4 million in Egypt. The routes used by these migrants can change very quickly, as observed in recent years after the policing of the EU's external borders was stepped up. Closer border policing cooperation between the EU and the Maghreb states has shifted the migration routes to West Africa.

When considering the political challenges for Germany and the EU resulting from irregular immigration, it must be remembered that most of these people do not actually enter illegally (for example on spectacular and dangerous routes across the Mediterranean). Most of them come to the EU legally as tourists or by other legal means, and then extend their stay without permission. So from the perspective of the EU member states harmonizing and standardizing visa practices is a matter of growing urgency.

Irregular immigration represents a broader political challenge too, because it calls into question the legitimacy and acceptance of state migration policy. This is especially the case when a government claims it can stop irregular immigration. When it becomes clear that it is not capable of doing so, citizens may begin to doubt its ability to cope with other migration issues, for example managing labour migration. Irregular immigration also presents a security threat because it is often associated with human trafficking and various types of crime. This applies especially where stricter border surveillance increases the prices traffickers can charge and illegal migrants end up in debt bondage. In these situations they often suffer human rights violations.

The German and European interest is undoubtedly to reduce irregular immigration as far as possible. But unrealistic expectations should be discouraged. Completely preventing it is fundamentally impossible in an open society, and the required surveillance network – pervasive ID checks in public places and vigorous action against illegal employment in private households – would be unlikely to meet with public approval. In its efforts to reduce irregular immigration the government must also strictly observe its obligations under international law and human rights conventions. Above all it should work to outlaw practices that violate international law, such as turning away refugee boats at sea and returning refugees to regions of conflict and danger.

Germany and Europe are currently concentrating on expanding joint border controls, perfecting joint consular practices and standards, and returning irregular migrants to their home countries. In recent years many EU member states have concluded bilateral readmission agreements, especially with states in the Middle East and the Maghreb. The proliferation of such treaties and the impenetrable complexity of rules, procedures and responsibilities have persuaded the European Commission to call for multilateral readmission agreements.

There is still a lack of comprehensive concepts to connect together asylum and migration policy and systematically exploit the possibilities offered by repatriation programmes orientated on development policy. In

recent years a number of EU member states (in particular Germany) have gained experience with active repatriation programmes. New strategies and programmes could be developed, building on the knowledge of those successes and failures. It will only be possible to achieve lasting results in reducing irregular immigration if refugees are again given an opportunity to seek asylum legally in the EU, and if possibilities for temporary and permanent labour migration are created.

Labour migration

The growing economic pressure to emigrate from the region under discussion here has already been mentioned at the beginning. At the same time the need for immigration is growing in the EU member states. These trends are caused above all by asymmetrical demographic developments and uneven integration in economic globalization. As far as the first factor is concerned, a “demographic divide” can be identified. There is a sharp division between the ageing and shrinking populations of the EU member states and young and quickly growing populations in North Africa and the Middle East (despite strongly falling fertility rates in some cases). Labour market imbalances can be expected to grow still further. A structural labour shortage in the EU member states, largely conditioned by demographics, will contrast with a growing labour surplus in the Middle East and North Africa.

The principal interests of Germany and other EU member states in the field of labour migration are to cushion the impact of demographic change as far as possible through controlled immigration; to ensure that the labour markets are supplied with the required workers; and to promote economic and social integration of the immigrants. Currently there is a tendency in many EU member states that have taken in larger numbers of labour migrants in the past decades to feel that integration policy has failed, regardless of whether the model pursued was more assimilationist, integrationist or multicultural. Indeed, all member states have at least individual immigrant groups that are poorly integrated. If the lack of social opportunity becomes cemented along ethnic lines conflict within society can result.

Like in the other two migration policy fields – asylum and irregular migration – no medium- or long-term strategies can currently be identified in labour migration either. Instead ad hoc policies dominate in all EU member states. The German government, for example, believes that labour migration should remain a national responsibility, both in terms of access to the labour market and the question of permanent immigration. Proposals by the European Commission for a broader common migration policy have so far been rejected or taken up only with great reservations. One example is the Commission’s proposal for a European “Blue Card” to encourage highly qualified workers to migrate to the EU. Another field where member states are reluctant to hand powers to the Commission is integration. Here the member states have so far only agreed to a regular

exchange of experience and on possibilities to promote concrete integration projects.

Conclusion

The EU member states will have to intensify their efforts towards a coherent and comprehensive policy. Otherwise it will not be possible to cope with the consequences of uneven economic, demographic and social development in Europe and the Middle East and North Africa. There are numerous policy options. The most important challenge is to develop new instruments for managing labour migration. Here the European Council has decided to promote “circular migration” (labour migrants moving back and forth between home and host country) and “mobility partnerships”. But so far fundamental questions about the objectives and implementation of these instruments still remain unclarified, even though the first pilot projects have already been launched together with partner states in the region.

In general German and European migration policy needs to give thought to the question of where future labour migrants are to come from, and what criteria should play a role in selecting countries of origin. The demographic, economic and political development of the countries that come into question must be observed, because these are the factors that influence future migration potential. Strategic decisions are necessary, because a comprehensive and coherent migration policy that also includes development aspects – as repeatedly demanded by the European Commission – presupposes wide-ranging and intense cooperation with home countries. That is the only way to avoid repeating the errors committed in the past by many EU member states, for example when recruiting migrant labour in the 1960s and early 1970s. On the assumption that these workers would only stay for a short while, little attention was paid to their integration. As this policy has contributed to the current integration deficits of many of the former “guest workers” and their families, all future labour migration programmes – whether permanent or temporary – should be combined with appropriate integration measures, for example language courses.

German and European migration policies are today far from such a strategic orientation. They are still orientated on short-term requirements, and viewed too strongly from the national standpoint, too little from the foreign policy, security and development perspective. But these aspects must be taken into account to avoid negative impacts of migration and to make the best use of its many and diverse opportunities – especially with respect to the Middle East and North Africa, which will remain an important source of migrants for Europe.

Iran^{*}

Johannes Reissner †

The nuclear issue and Ahmadinejad's radical anti-Israeli line have narrowed the options for German policy towards Iran. Germany might even have to give up the strategy of "non-exclusion" (former Foreign Minister Klaus Kinkel) of Iran. But that would contradict Germany's commercial interests in Iran, as well as its long-term interest in energy security. Also, given Iran's increasing weight in the region, exclusion would make it impossible to pursue regional stability in any meaningful way. On the nuclear issue, Germany faces the challenge of doing justice to its overriding importance while avoiding making it the sole point of reference.

This challenge touches on the transatlantic relationship, too. Since the 1990s, especially, Germany has acted as a driving force behind the development of European-Iranian relations in the framework of the EU's emerging Common Foreign and Security Policy (CFSP). But the European approach based on non-exclusion conflicted with an American strategy of embargo, containment and isolation. These differences have had a decisive bearing on the nuclear dispute. European attempts to influence the Iranian leadership through dialogue were met not only with Iranian resistance, but also American scepticism. After Mahmoud Ahmadinejad's government brusquely dismissed the package of incentives offered by the EU-3 (Germany, France and Britain) in summer 2005, the Europeans increasingly lost the initiative in efforts to resolve the nuclear dispute. More and more, they were playing second fiddle to the Americans.

The emerging new Iran policy of US President Barack Obama follows the motto of "engagement with pressure". That represents a turn towards the European approach of non-exclusion and offers a new opportunity for transatlantic cooperation in several fields of Iran policy. Coordination is needed here, to account for German and European interests which need not necessarily be identical with those of the United States, for example with respect to energy security. Washington's turn away from Bush's policy of regime change and isolation is also helpful for Germany to the extent that it ceases to focus exclusively on sanctions and refrains from condemning every contact with Iran as appeasement. However, if the new Iran policy were to fail Washington would end up in a much better position to demand German and European support for returning to strict sanctions or even a military strike.

Alongside the nuclear dispute, Iran's growing weight as a regional power also represents a challenge for German policy. Iran strives for a dominant position in the surrounding region, with particular attention to

^{*} The English translation of Johannes Reissner's contribution has been revised and updated by the editor.

Afghanistan, the Persian Gulf and the Near East. This drive for influence is motivated primarily by security interests, expressed through an aggressive anti-Western and anti-imperialist ideology, and directed above all against the American presence in the region. Tehran's tendency to dig its heels in ("we'll let you know what we might agree to") and its radical anti-Israeli line stand in the way of any attempt to utilize Iran's undoubted potential to stabilize the region and integrate it in the process of establishing constructive regional structures.

The possibilities for German policy are ultimately also restricted by the underdeveloped nature of relations with Iran. It is doubtful whether Germany has sufficient access to Iranian society or to the political forces within Iran that ultimately decide the country's political fate. It is above all doubtful whether Iran's interest in Germany is great enough to allow Germany to bring interests of its own into play in any effective way.

Interests

Germany's foremost interest in Iran is currently for a diplomatic solution to be found for the nuclear dispute. Germany is also pursuing particular commercial interests, and in the longer term Iranian oil and gas resources will have an important role to play for German and European energy supplies. However, especially for natural gas production, long planning and construction periods must be factored in before Iran will be able to emerge as an additional supplier.

Trade, energy export and investment in Iran's technological development are in the interest of both sides. Both sides also share a fundamental interest in regional stability, although differences can be found in the understanding of stability. For Iran a strong state comes first, while Germany prioritizes a relationship between state and society where human rights and the rule of law are guaranteed.

The only obvious conflict of goals on the German side at the moment is the one between an interest in trade relations and the sanctions currently in place to persuade Iran to abandon its efforts to enrich uranium. Germany's medium-sized companies are hit worst by the repercussions of German participation in the international sanctions against Iran, and the sector's representatives are correspondingly concerned.

Less prominent, and less in the public eye, is the conflict of goals between the primacy of transatlantic relations and Germany's fundamental interest in a policy of non-exclusion. German politicians and media often create the impression that regime change in Tehran is not just their personal wish but the very objective of German policy. This might be conviction or simply reflect an enthusiasm not to appear soft compared to the Bush Administration and Israel. By contrast the stance of the new US President seems to be guided by the realization that it is impossible to isolate Iran effectively, and that attempts to do so produced only defiance and obstructionism in Tehran. Obama's announcement that he intends to proceed with firm but direct diplomacy, apply sanctions *and* incentives,

and deal with Iran in the context of the region is closer to German and European ideas than the isolationist course of the Bush Administration. So Germany should make use of the opportunity offered by the change in Washington. The German government must seek to correct the still widespread opinion that a policy of exclusion of Iran is necessary, and work for the start of serious negotiations between the United States and Iran.

Overcoming the reciprocal demonization maintained for so long by Iran and the United States is certainly not going to be an easy matter after three decades of non-recognition, exclusion and isolation. But an American policy that aims for coexistence and ceases to confuse sanctions with diplomacy would match up with the German and European approach and still satisfy the need for regional stability and security for Israel. While the American-Iranian relationship is paramount, there is still room for a German policy. But it must know the decisive parameters of its options.

Strategies

When the Europeans began developing a policy on Iran after the Iran-Iraq War ended in 1988, and during the collapse of the Soviet Union in the early 1990s, they were entering new territory. The good relations with Iran prior to the revolution of 1979 were primarily of an economic nature, and followed in the slipstream of the extremely close political relationship between Iran and the United States. As the Europeans began to explore which political options could coexist with the isolationist course of the United States, Germany's policy of "critical dialogue" (1992–97) was guided by the principle of non-exclusion, upholding economic and cultural relations despite all the political difficulties. Embedding Germany's Iran policy in the EU's emerging Common Foreign and Security Policy (CFSP) and in the framework and values of the transatlantic partnership were fundamental coordinates. The "critical dialogue" was ended abruptly by the "Mykonos case" of April 1997,¹ but revived somewhat about a year later as the "constructive dialogue" of the Khatami era (1997–2005). In 2002 the EU and Iran started talks on a trade and cooperation agreement and opened a human rights dialogue. The dialogue was guided by the idea of "change through rapprochement". But the Iranian reform movement's chances of initiating lasting change towards democracy, rule of law and respect for human rights had been overestimated. When the EU became actively involved in the nuclear dispute in October 2003, with a visit by the foreign ministers of Germany, France and Britain, the initiative was quickly torpedoed – after initial successes – by the resistance of forces around Khamenei and the anti-Iran line taken by US President George W. Bush, who already in 2002 named Iran as a member of his "axis of evil".

¹ In 1997 three Lebanese men and an Iranian were tried and convicted for the 1992 assassination of four Kurdish Iranian opposition figures in the Mykonos restaurant in Berlin. The court's assertion that the assassination had been ordered by senior Iranian leaders sparked a diplomatic crisis.

The main problem of German and European policy was that it paid too little attention to Iran's fundamental interests: security and development. Here, security means the security of the regime as well as territorial integrity. The Iranian leadership wishes to appear strong, indeed invincible, and be acknowledged as a leading power. The idea of strength also implies development, but in diplomacy it is above all about independence and resilience. The essence of the "aggressive diplomacy" proclaimed by the Revolutionary Leader in summer 2007 was that Iran should make its own demands rather than just being at the receiving end of the demands of others.

In the context we are dealing with here, it seems doubtful whether German and European ideas actually reach the Iranian leaders at all. Since Mahmoud Ahmadinejad became president it has become obvious that the Supreme Leader of the Revolution, Ayatollah Ali Khamenei, has the final say on political matters. So it is a mystery why Western politicians have not attempted to speak with him directly. That would certainly satisfy Iran's repeated demand for recognition and for talks as equals.

Focusing on the legitimate interests of both sides need not stand in contradiction to an orientation on values. Only if one has something to offer to the other side can one count on gaining a hearing. And only under that prerequisite can norms be asserted and possibly even communicated. Under the Obama presidency there are signs of a de-ideologization of US policy. That would offer an opportunity to free the normative momentum of Western policy from the pseudo-religious polarization of "good" and "evil" that has nothing to do with norm-orientated politics and simply serves self-affirmation and escalation. Just because Iran propagates such a Manichaean world view (but in practice acts pragmatically and indeed opportunistically) cannot be a reason for the West to do the same.

The nuclear dispute that overshadows all else can probably only be resolved through direct negotiations between the United States and Iran. The German government should work for the 5+1 group to be kept together (the five veto powers in the UN Security Council plus Germany). That also means resisting pressure to participate in sanctions that have not been authorized by UN Security Council resolutions (and whose political effectiveness is dubious anyway). Such sanctions are wide open to the interpretation that the nuclear dispute is a conflict exclusively between the West and Iran, which does nothing but pour petrol on the flames.

Before negotiations can occur, a face-saving formulation will have to be found that allows the West to get around its fixation on the precondition of stopping uranium enrichment. Instead of "suspension" the West should focus on "transparency" and "verification". That would satisfy the West's fundamental goal of preventing Iran from acquiring nuclear weapons, as well as meeting the conditions of the non-proliferation treaty. Transparency contributes to confidence-building. The political deficit in the nuclear dispute is the lack of trust, for which suspension was only a technical substitute. In the United States the possibility of shifting the emphasis from "suspension" to "transparency" has already been discussed. What a satis-

factory measure of transparency means exactly would be a matter for clarification in talks.

A timetable needs to be set for talks, to remove the possibility of Tehran playing for time. But above all Tehran must be persuaded to find a negotiating style that is not simply fixated on achieving momentary tactical advantage. There is a need to create a climate that allows Iran to make right choices about upcoming fundamental decisions. Here the principle of equal status should be observed, and the incentives that could motivate Iran to concede in the nuclear dispute should be foregrounded – also in the media. Only then can they become the subject of proper and sustained debate within Iran. So far the West has made it all too easy for Iranian propagandists to discredit the incentives as empty promises.

Complementing the efforts to further negotiations, the possibility of internationalizing the enrichment of uranium for exclusively peaceful purposes should be given serious examination. The reinstatement and ratification of the nuclear safeguards and the Additional Protocol of the Nuclear Non-Proliferation Treaty by the Iranian parliament should be brought into play here.

The urgency of the nuclear issue must not be allowed to lead to other German interests concerning Iran and its role in the region being forgotten. German and European Iran policy have to remain active on more than one “front”.

Germany and Europe still have an important role to play in Iranian development, but the wave of globalization since the 1990s has left Iran less dependent on Europe than it used to be. Iranian propaganda that Germany and Europe would be worthwhile trading partners and technology suppliers but are spiting their own interests by imposing sanctions is also gaining increasing traction in Iranian society. However, domestic discussion of the 5+1 group’s June 2008 incentive package (which was published in Persian) showed that the opinion-forming process in Iran is not governed by propaganda to the extent that repression and censorship would lead us to suspect. Either way, any European potential that could be tapped for Iranian development must be made a permanent component of public diplomacy.

The shared interest in regional stability offers the possibility to address Iran’s security interests. The central strategic objective of German and European policy cannot be to forge anti-Iranian, pro-Western regional alliances. To see Iran exclusively as the regional trouble-maker is a distortion of the facts and unhelpful to any policy aiming for regional stability. Promoting regional cooperation and integration is the order of the day. This means taking into account regional constellations and dynamics not only in the Middle East but in Iran’s entire neighbourhood, which also includes the Caucasus, Central Asia, Afghanistan and Pakistan.

With no real regional leading power in Iran’s neighbourhood, rivalry and instrumentalization of external powers is the determining mode, although the influence of the Western powers has lessened since the 1990s with the end of the Cold War and the advance of globalization. A tendency

for regional states to take on more responsibility in their neighbourhood can be observed since the fall of Saddam Hussein in 2003 and the Lebanon War of 2006, and this trend should be encouraged. The West should not overestimate its macro-political capacities in the region, because that would only lead to inappropriate imperiousness towards regional actors – against which Iran and others rail – and to neglect of the real conditions in the region with grave consequences.

Any strategy based on the exclusion of one or other regional actor violates the principles of balance and moderation and is condemned to failure. The lack of regional cooperation structures is a consequence of the permanent rivalry between the neighbours. Here Western diplomacy must take the initiative. In the case of Iran that means putting differences to one side and supporting the policy of integration pursued by Saudi Arabia and Turkey. And finally, positive development in Iran's behaviour vis-à-vis neighbours like Afghanistan should be encouraged.

Options

German policy is certainly shaped to some extent by the interests and strategies outlined above, but it would be desirable for it to be clearer and more confident. Occasionally German policy appears to be determined in the first place by a desire to avoid upsetting the United States, Israel or domestic public opinion. The emerging new US policy of engagement makes it easier for Germany to rebut the charge of appeasement and abide by its fundamental position of non-exclusion. It remains for Germany to clarify its own interests and coordinate with the other Europeans, the United States, and also Israel. The government in Tel Aviv needs to be told that Germany's commitment to Israel's security cannot mean supporting every measure Israel holds to be necessary for its own defence. This applies both to the possibility of a military strike against Iran's nuclear facilities and to the demand for a total boycott of Iran (which Tehran could interpret as a declaration of war). Fundamentally, a normalization of American-Iranian relations would bring about a relaxation of tensions in the whole region – and thus serve Israel's security interests better than threats and confrontation.

In concert with the other European states, Germany should back up the new American policy of inclusion with initiatives to reduce regional tensions. The EU and its member states have many possibilities to provide forums and bring all the relevant powers in the region to one table for talks about Afghanistan or the Persian Gulf. Only this way can a balance of interests be promoted.

Washington's policy of sending clear signals (especially noteworthy was President Obama's message to the Iranian population and leadership for the Iranian New Year, Nowruz, on 20 March 2009) and the first concrete American steps towards direct negotiations fell during campaigning for the Iranian presidential election on 12 June. To prevent President Ahmadinejad claiming the new American course as his success, it must be made

clear that the new approach taken by President Obama is of a fundamental nature and is independent of who is in office as Iranian president. Not least because of human rights questions and policy towards Israel, Ahmadinejad's re-election and the subsequent crackdown on the opposition in Iran in June have burdened the climate and made an American-Iranian rapprochement more difficult. But without such a rapprochement the West can make no progress on those issues either. Thus far President Obama has succeeded in making it clear that the new approach in American policy does not mean abandoning fundamental objectives. He may show flexibility in the question of uranium enrichment but that does not mean giving up the goal of an Iran without nuclear weapons.

Germany, too, can point out to Iran the opportunities that lie in the new American approach. This means speaking to those who hold real power. But Iran as a whole must be addressed. Its fundamental interest in security and development must be respected and the West must show what it has to offer in this respect. But such an approach is not the same as caving in on the issues. Merely regurgitating long-standing demands will not have any effect, certainly not among those in Iran who want to demonstrate strength in the name of security and national honour and are willing to risk the country's ruination to that end. The Western incentives are perhaps discussed adequately enough at the level of higher diplomacy, but they have little impact on public debate within Iran. So Germany and the Europeans should pursue a more active public diplomacy. The time of attention-seeking and coat-tailing the Bush Administration with stern statements that only provoke recalcitrance in Iran is over. Now the thing is for European politicians and media to make it clear what opportunities Iran is missing through its "aggressive diplomacy".

Where cooperation is possible it should be realized and acknowledged. In the interests of European energy security, the groundwork should be laid for inclusion of Iran. Given that regional stability can only be achieved with Iran, Afghanistan would be an important starting point for Germany and Europe. In the field of development, investment is called for but the possibilities for scientific and technological cooperation and training should also be underlined. In all fields the Iranian mistrust of the West's promises, nurtured by official propaganda, must be counteracted.

Germany, the Europeans and the United States must be prepared for the proverbial long haul in dealings with Iran. But they must also adjust to the Iranian negotiating tactic of always presenting itself as the side that has the upper hand. This compulsion, which is to no small extent an artefact of domestic rivalries within Iran, often ends in retreat into lofty-sounding but meaningless declarations of principles. The only remedy is to integrate Iran in political processes. The stance that one could force Iran to obey has failed to achieve anything. The United States seems determined to pursue political integration. For Germany there is no reason not to support that experiment, corresponding as it does with an elementary principle of German Iran policy.

The States of the Gulf Cooperation Council

Katja Niethammer

For a long time the members of the Gulf Cooperation Council (GCC) were peripheral to German interests in the Middle East, with the exception of Saudi Arabia. But that is beginning to change: the other Gulf monarchies – Bahrain, Qatar, Kuwait, Oman and the United Arab Emirates – are moving centre-stage too. Whereas German Middle East policy in the past tended to concentrate on the Israeli-Palestinian conflict and that immediate area, German policy-makers have come to recognize that the GCC states possess the potential to exert influence on numerous levels, from counter-terrorism and solving regional conflicts to stabilizing the financial markets. There are real opportunities for Germany to come closer to the GCC states in talks and trade. But realistically it must be assumed that Germany's possibilities and influence will be limited here.

The challenge of under-structured relations

The most obvious problem facing Germany in its dealings with the GCC states is the comparatively under-structured nature of the relationships. Bilateral exchange is unproblematic although not particularly close, and measured against the relationships with the Mediterranean states only weakly institutionalized. The frequency of bilateral state and ministerial visits reveals a deepening in recent years. German leaders do not possess the long personal relationships with Gulf elites – often stretching back to university days – that British and American politicians enjoy. Given the strongly personalized nature of government in the GCC states the significance of such contacts should not be underestimated.

There is a degree of asymmetry when it comes to enthusiasm for expanding mutual relations. The Gulf monarchies are fundamentally interested in closer ties with Germany (and other European states), but they do not feel compelled to do so. This is a widely held attitude among both the populations and the ruling elites, bolstered by the way the GCC states are also being courted by rising powers like India and China. That is what is behind the Gulf Arab procrastination that is holding up the conclusion of the talks on the EU-GCC free trade agreement (whereby both sides must share blame for the long-windedness of the process). Now that all the technical obstacles have been cleared out of the way – in the nineteenth year of negotiations – signing is being held up at the last moment by the Gulf states' objections to human rights clauses. These oblige the Gulf monarchies to recognize fundamental human rights as defined in the international covenants on economic, social and cultural human rights and on civil and political rights. Only Kuwait has signed these covenants, while

the other Gulf states regard the corresponding clauses as European arrogance.

Often Gulf Arab officials point out in this connection how smoothly their negotiations on a free trade agreement with Asian states proceeded. On the one hand that is pure rhetoric, because Europe is a much more important trading partner for the GCC states. But the rhetoric does convey an absolutely authentic mood that is shared by the political class in the Gulf monarchies.

Competition from Asia is not the only problem for Germany and Europe. The GCC states are closely – and for the foreseeable future indivisibly – tied to the United States, especially in the field of security. After the Gulf War of 1990–91 revealed their military impotence they concluded bilateral defence agreements with Washington. The United States is indeed the only power capable of guaranteeing the security of the Gulf monarchies. There are also bilateral agreements with European states, especially in the case of the United Arab Emirates (UAE), but these cannot count as a real security diversification. Neither France nor any other EU member state possesses the ability to project military power like the United States can. That is also clear to the elites in the GCC states, so defence agreements with European countries should be understood more as symbolic statements.

These security ties to the United States also affect other aspects of Gulf diplomacy. For many years the elites of the GCC states were content to toe the American line rather than pursuing active foreign policies of their own. That apathy has ended, offering Germany the possibility to become more involved. The US-led invasion of Iraq in 2003 was viewed with extreme scepticism by all the GCC rulers apart from Kuwait. The prolonged security disaster in Iraq and Washington's obvious difficulties in doing anything to reduce tensions in the region have led to a situation where the GCC states are more willing to depart from the American line. For example, they defied the United States by sending a special envoy to Iran to mediate in the nuclear dispute (although the mission came to nothing). Certain GCC states, above all Qatar (for the first time) and Saudi Arabia are also active as regional conflict mediators from Lebanon and Palestine to Sudan, plainly without extensive prior consultation with the Americans. In autumn 2008 Bahrain's foreign minister called for a regional forum including Israel and Iran, but the idea had to be dropped shortly thereafter when Israeli invaded Gaza.

Alongside the under-structured nature of relations and the US dominance in the region, grave challenges of substance also shape German policy towards the Gulf monarchies. Germany supports political reform in the GCC states, at least verbally. But there is a tension between reform initiatives and the political stability of these states, which is Germany's implicit main interest. This conflict of goals sometimes leads to absurd political contortions, such as singling out the United Arab Emirates to praise for political reforms when it has achieved least in this respect and has the most authoritarian government – but also appears the most stable.

This contradiction is noticed by circles wider than just the ruling elites, and leads to a loss of credibility among the reform forces in the local populations. This way Germany has largely wasted the special confidence bonus earned through its opposition to the Iraq War – not least among the Islamist groups that in the Gulf states, as elsewhere, are the best-organized political forces outside of the state apparatus.

Growing diversity of interests

Germany's interests in the GCC states have multiplied dramatically. Energy policy now represents just one concern of many, albeit the one that hardly needs explaining. More than 60 percent of the world's proven oil reserves lie in the Persian Gulf. Even if Germany imports little oil from the Gulf, Saudi Arabia remains the producer with by far the greatest potential to influence market prices. So Germany has a great interest in developing channels of influence to persuade the Saudi kingdom to continue using its power responsibly. In the gas market (which is differently structured) Qatar will soon play an outstanding role as the main supplier of liquefied natural gas (LNG). In order to diversify and secure Germany's gas supplies it would therefore be desirable for German energy companies to do more business with Qatar. The modest size of Germany's gas companies – by global standards – has made it hard for them to gain proper attention in Qatar, so these attempts to intensify economic relations should be given clearer political support.

But there is more to the GCC states than the energy market. The global financial crisis has reminded the world that the GCC states possess huge untapped resources that could be used to stabilize the financial markets. At the same time there are often irrational fears about the Gulf states' sovereign wealth funds, even though the Kuwaiti and Saudi funds, specifically, have held large holdings in German companies for many years without this causing any problems. The positive response in the German media to Abu Dhabi's new stake in Daimler suggests that the scale of the crisis is dispelling the fear of Gulf financial domination. On the other side, the financially strong GCC states continue to represent an important and expandable market for German products.

More broadly too, Germany is beginning to develop a genuine political interest in the region for a variety of reasons. First of all, there is growing realization that the West and the Gulf monarchies share an interest in fighting terrorism. There are (at least) two aspects here: as well as technical cooperation with the security organs of the GCC states, there is the more complex matter that terrorism is at least partly a consequence of government failure, which is another good reason for the West to press for better governance in the Gulf monarchies. A legitimate government that ensures a modicum of social equality is one necessary – if by no means in itself sufficient – condition for permanently taking away the terrorists' ideological base.

Of course the German interest in political reforms and better governance in the GCC states is not based exclusively on utilitarian considerations. It is also normatively grounded (and echoes the policies pursued in the Mediterranean and ENP regions). The Gulf monarchies are increasingly seen as promising candidates for reform, especially in comparison with the politically ossified southern Mediterranean countries. However, certain GCC states – above all Qatar and the UAE – are very clever at presenting very limited reform measures as stunning breakthroughs.

A more geopolitically motivated German and European interest in the Gulf monarchies grows out of the willingness and ability of individual GCC states to contribute to regional conflict-solving. Historically Saudi Arabia has always acted as an influential regional power. Its current renewed activity in the Middle East conflict probably reflects the weakness of its traditional rival Egypt. A newcomer at the regional level is Qatar. This enormously wealthy but tiny state (with just 300,000 citizens) caused a stir in May 2008 when it mediated the Doha talks that averted a threatening civil war in Lebanon. Less publicity has accompanied Qatari mediation efforts in Yemen and lately also Sudan, probably because the results so far are rather meagre. Nonetheless it is definitely in the German interest to maintain close relations with potential mediators in the region, who might be able to lend new momentum to the efforts to resolve the region's central conflicts (above all the Arab-Israeli conflict).

At the same time it is obvious that the GCC states have a key role to play in the Iraq conflict. Peace can only come to Iraq if the GCC states – first and foremost Saudi Arabia – play an assertive role as the protector of the Iraqi Sunnis.

Strategies, concepts, measures

Diverse and weighty as Germany's interests in the Gulf states have become, they hardly reflect an explicit, coherent policy. Germany has practically no proper policy towards the GCC, and the picture at the European level is hardly any better. The EU may have stationed an ambassador to the GCC in Riyadh, but beyond the tussle over the free trade agreement he has made little impact. Because the Gulf monarchies are not EMP or ENP states, the EU's possibilities for structural cooperation are limited. In Germany's bilateral relations with individual GCC states Saudi Arabia and the United Arab Emirates are clear priorities.

It certainly makes sense for the Saudi Kingdom to occupy a prominent position; it remains the political heavyweight of the GCC. But the degree to which its smaller neighbours have already been able to manoeuvre themselves out of the Saudi shadow must not be overlooked. There is plenty of evidence of this. Bahrain ignored explicit Saudi protests and its own dependency on Saudi oil donations to conclude a bilateral free trade agreement with the United States in 2004, as the first GCC state to do so. Other examples include Oman's departure from the GCC's joint currency plans (originally scheduled for implementation in 2010) and Qatar's controver-

sial opening of diplomatic relations with Israel (since suspended in January 2009), its hosting of the often Saudi-critical satellite news station al-Jazeera and its new role as regional conflict mediator and leader of Arab initiatives. Qatar's attempts to create an Arab consensus in response to the Israeli invasion of Gaza were ultimately thwarted by Egypt and Saudi Arabia, but that will certainly not deter it from launching high-profile regional diplomatic initiatives in future.

It is therefore absolutely necessary to cultivate bilateral relations with the smaller Gulf states too. What is not clear is why Germany's relationship with the United Arab Emirates – elevated in 2004 to a “strategic partnership” – should be granted such prominence. The UAE naturally represents a worthwhile market for German commercial interests, and Germany's offer to train Iraqi police officers (which takes place in the UAE) helped to heal the ravaged relationship between Berlin and Washington. But the policy towards Abu Dhabi makes little sense in terms of the Emirates' political standing in the region. Both with respect to contributing to solutions to regional conflicts and in reforming state institutions the Emirates come in clear last place among the GCC states. Currently the UAE has the most formally authoritarian system of all the Gulf monarchies.

The lack of a German Gulf strategy is partly explained by the lack of German second track institutions in the region. The German political foundations have so far almost no presence in the Gulf monarchies, and the picture is similar in culture and science. The Goethe Institute has only a networking office in Abu Dhabi, and German museums and universities have been left far behind by their European rivals where representation in the Gulf is concerned. Members of the region's elites, in turn, seldom come to Germany to study. Quite unlike their British, French, Spanish and of course American counterparts, German academic bodies and policy think tanks have so far failed to establish worthwhile networks of intellectuals and policy-makers.

Possibilities and options

Relations between Germany and the Gulf region are currently clearly underdeveloped, and the GCC states depend far less than other Middle Eastern countries on German and European support. In view of this starting situation Germany's objectives should be kept modest and realistic. The first priority is to give the relationships more breadth and depth. Germany should strive to establish early contact with the region's future elites and at the same time work to expand the spectrum of social and political groups participating in dialogue between Germany and the GCC states. That would mean considerably stepping up the engagement of German second track institutions, to which the political foundations could make an important contribution. Others should follow the example of the Konrad Adenauer Foundation, which has opened its first Gulf office in Abu Dhabi in 2009. However, this is not easy under the present legal situation,

and in some Gulf monarchies simply impossible. But at least in Bahrain and Kuwait such an engagement would be conceivable.

Beyond that, the existing Middle Eastern branches of the political foundations should intensify their efforts to involve Gulf Arabs in their programmes. The same applies to German cultural and educational organizations. The German Academic Exchange Service (DAAD) has begun recruiting more local students and promoting cooperation with German universities, but there is still much to be done here. Compared with French activities in the field of academic cooperation – where the same language barriers apply – German engagement is modest at any rate.

A genuine political dialogue with the GCC states should be sought above all with respect to regional conflict solutions. The Bahraini proposal of a regional forum including Israel, Iran, Turkey and the Gulf states offers many worthwhile starting points for a multilateral body for the Gulf region, an idea which has broad support in Germany. Attempts should also be made to enter into a more intensive exchange of ideas not just with Saudi Arabia but also with the Qatari government, as the latter has established itself in recent years as one of the decisive mediators in the Middle East. Stronger coordination between German and European decision-makers and their Gulf Arab colleagues can only be helpful in the conflicts of the region – from Israel/Palestine and Lebanon to Yemen, Somalia and Sudan. Qatar, unlike Western governments, has no credibility problems in the Arab world (yet) and possesses both the will and the financial resources to act as a mediator, although not enough experience and technical personnel.

When it comes to political dialogue about the internal structures of the Gulf monarchies Germany is subject to narrow constrictions. Germany can use the Gulf Arab interest in foreign investment to encourage all GCC states to improve governance and legal security, and can point out to their elites that European firms are subject to ever growing scrutiny of their environmental and social standards. In view of the financial balance of power – with Gulf Arab investment sought-after like never before – and Asian rivals that care less for social standards, there can be little expectation of substantial improvement in this field. But the GCC states also compete strongly with one another and keep close track of their international rankings, so it can certainly be helpful if Germany makes it clear that it can differentiate the reform progress made by individual states. In the context of the Gulf monarchies it is not really plausible to speak of “democratization”. For all the reforms and reform rhetoric, none of the GCC states finds itself in a real democratization process.

In short: German interest in the Gulf region may have grown as quickly as some of the skylines there, but work must focus on the foundations of the relationships.

Energy

Jens Hobohm

Germany is a resource-poor country. It imports 97 percent of its oil and 83 percent of its gas supplies, and the trend is rising. Germany's main energy suppliers after Russia are Norway, the Netherlands, Britain and Denmark, but only Russia has the potential to increase its exports. And this applies only to the gas sector; Russian oil production may already have passed its peak. To exacerbate the problem, Russia's rising market share in the energy sector has come in for criticism both in Germany and in the EU as a whole, with the Russian-Ukrainian gas dispute of early 2009 bringing home the risks associated with over-dependency on a single supplier. So Germany needs to look for new sources of energy imports to diversify its supplies and make up for declining production in current exporters.

Germany is by no means the only state facing this complex of problems. In many countries across the world domestic resources are dwindling or energy demand is growing faster than domestic production, leaving ever more actors chasing a limited quantity of resources. States with fast-growing demand – especially China with its simply insatiable appetite for energy – are securing their supplies by means of long-term contracts. In their sights they have the resources of the oil- and gas-rich states of the Middle East and North Africa. These rivals often have less scruples about separating business and morals, especially when it comes to human rights questions. Will Germany be able to import sufficient quantities of oil, gas and coal?

Another challenge relates to the imbalance of energy prices. Most states in the region under discussion here place only minimal taxes on energy, which makes it much cheaper than in countries that have to import. This creates a competitive advantage, especially for investors in energy-intensive industries, that can create strong international competition for German and European companies.

As well as securing its energy supplies, Europe also wants to make an active contribution to averting or limiting climate change. One way to achieve this is to increase the proportion of renewable energy. While most European countries will run into limits here in the long term, their southern neighbours possess much greater potential for solar energy and wind power, and these could help to provide a sustainable energy supply for Europe.

Interests

Germany's interest in energy supplies from the Middle East and North Africa encompasses renewables (solar electricity) as well as fossil fuels. The region also offers a fast-growing market for German products and services

such as power stations and energy efficiency technology. Furthermore, dealing with global climate change – which is taken very seriously in Germany – will also mean stopping the rapid rise in emissions in the region itself.

Oil and gas imports. Germany has an interest in diversifying its energy imports. Currently Germany gets 14 percent of its oil imports from North Africa and just 6 percent from the Middle East. No natural gas at all is imported from the region yet. So increasing energy purchases from this region would actually contribute to diversification of German imports. As well as their geographical proximity to Europe, their huge reserves of hydrocarbons (oil and gas) make the countries of the region obvious partners for Germany. The countries surrounding the Persian Gulf possess 61 percent of the world's conventional oil reserves and 41 percent of its gas reserves, with a further 4 percent of oil reserves and 5 percent of gas reserves in North Africa.¹

Whereas oil imports could be increased using the existing infrastructure of terminals, tankers and pipelines, importing gas from the Gulf or North Africa would require a completely new infrastructure. The “fourth corridor” for gas supplies crossing Turkey, Bulgaria and Romania to central Europe could be crucial, because it opens a door to the gas reserves of Iran, Iraq and central Asia. Iran has the world's second-largest gas reserves after Russia. Iraq's gas reserves are smaller, but even they would be enough to supply the country itself and allow significant exports to Europe for several decades; they are larger than Norway's, for example, which is today the second most important gas supplier for Germany and the EU.

Iran and Iraq, like Azerbaijan and Turkmenistan which also possess large gas fields, lie in the catchment area of the Nabucco Pipeline. This pipeline is planned to transport 30 billion cubic metres of natural gas annually (6 percent of the EU's 2007 demand) via the fourth corridor from eastern Turkey to central Europe, avoiding Russian territory. Currently the project is still suffering from a lack of gas supply contracts, without which its construction is unlikely. To that extent Germany and Europe also have an interest in concluding gas supply contracts with Iran or Iraq.

Qatar could also become an attractive partner, as it possesses the world's third-largest natural gas reserves and is currently constructing the world's biggest liquefaction facility. Liquefied natural gas (LNG) does not require pipelines and can be transported by ship to any importer with the required regasification plant. To that extent Europe will be competing with Asian markets for LNG from Qatar. LNG regasification facilities are currently under construction or planned in several European countries, especially Britain and Spain. Germany does not yet have an LNG terminal of its own, and E.ON Ruhrgas AG has repeatedly postponed the go-ahead for a long-planned facility at Wilhelmshaven for economic reasons. But since increasing the gas supply anywhere in Europe's increasingly inte-

¹ Conventional crude is oil in a liquid state that can flow out of the deposit; non-conventional deposits are those that flow only with difficulty or not at all – heavy and extra-heavy crude, oil sands and oil shales.

grated gas markets would improve security of supply and prices in Germany, Germany has an interest in LNG supplies from Qatar anyway.

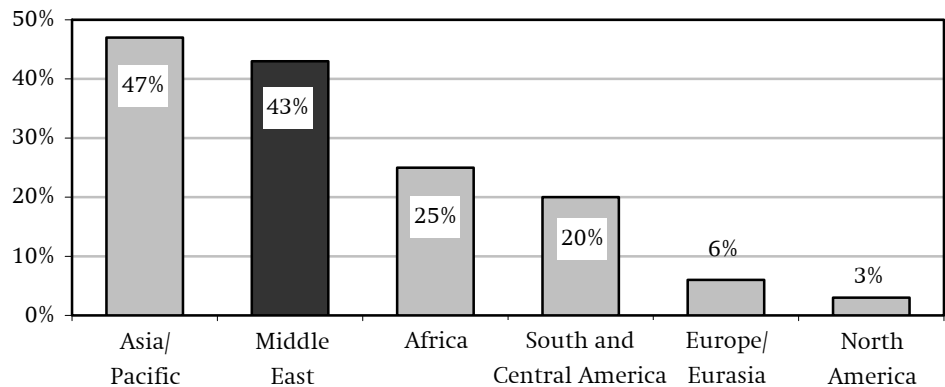
Renewable energy. German and European interests in the Middle East and North Africa do not end with the hydrocarbon reserves there. As the technological development of renewables advances, increasing attention turns to the region's enormous potential for solar and wind power. The annual solar radiation in most of these countries is the equivalent of one or two barrels of oil per square metre. In other words, the energy supplied by the sun to just 700 square kilometres of Algeria is the same as the country's total annual oil production. Studies by the German Aerospace Centre (DLR) show that 0.3 percent of the desert area of North Africa and the Middle East would be enough to supply the region itself and Europe with sustainable electricity and desalinified water.

With high-voltage direct current technology (HVDC), we now have a method that allows large quantities of electricity to be transported efficiently over long distances. The losses for electricity generated in North Africa and transported to Europe are estimated at 10 to 15 percent. So it would make sense to shift part of Europe's electricity generation to North Africa, where solar radiation is much stronger even than in Spain and other sun-rich regions of southern Europe. Germany and Europe have a long-term interest in accessing the potential of the North African states as one component of a sustainable energy supply. This would also open up possibilities for solving local drinking water supply problems and perspectives for the local economies.

Slowing growth in demand. The immense growth in oil wealth over the past seven years has helped many countries in the Middle East to achieve enormous economic dynamism. Gigantic construction projects like the artificial islands off Dubai and Qatar are very visible expressions of this tremendous growth. But the boom is not restricted to the construction sector. For example, in the United Arab Emirates the state is promoting the establishment of energy-intensive industries such as aluminium smelting.

This development is accompanied by a high standard of living and low energy prices for businesses and private consumers. In Qatar, for example, a litre of petrol cost the equivalent of just 20 euro cents in October 2008. This leaves consumers, businesses and the state blind to the signals of shortage given by high world market prices. Figure 1 shows the growth rates of primary energy consumption by world regions. Since the turn of the century only the Asian states have shown faster growth than the Middle East. The urgent global climate problem – which Germany and Europe have a great interest in solving – cannot be tackled as long as energy consumption in regions like the Middle East continues increasing at such a rate.

Figure 1
Change in primary energy consumption 2000–2007



Source: BP Statistical Review of World Energy, June 2008. (North Africa is included in “Africa”).

A market for German products. The question of reducing energy demand gives rise to another German interest. Germany is a leader in developing and manufacturing efficiency technologies and equipment for harnessing renewables. German and European firms could stand to benefit if it were possible to persuade the states of the region to place greater emphasis on renewables, construct a comprehensive electricity grid and strive to improve energy efficiency.

Strategies and measures

The interest in inter-regional cooperation between Europe and the states of the Middle East and North Africa is especially large on the European side. But the Europeans will have to intensify their political efforts if cooperation is to bear fruit.

The strategies by which German energy interests in the region are pursued are as varied as the interests themselves. As a country without its own oil giants, Germany has had little reason to get mixed up in the oil business. Germany’s medium-term oil supply is secure, delivered largely autonomously by the industry. Oil can be acquired by sea from many different sources; in 2007 Germany imported oil from no less than twenty-nine different countries. Thus to date it has been possible to restrict political intervention to a minimum.

The state does require oil companies to hold sufficient strategic reserves to maintain supplies for ninety days in an emergency. But that cannot be considered strong intervention in the oil market. Nor is the German government’s biofuel strategy, which aims to raise the proportion of biofuel to 8 percent of total fuel used by 2015 and 12 percent by 2020. However, in view of the effect of biofuels on climate and environment and their competition with food production, these targets are likely to be reconsidered. The state gives tax breaks to promote alternatives to biofuels,

such as using natural gas as vehicle fuel, but they have not as yet made much impact on the market.

Germany shapes oil policy more from the demand side, aiming to improve heat insulation and energy efficiency, promote combined heat and power and use renewables. These are indeed the right responses to a lack of domestic resources: oil not used does not have to be imported in the first place.

The government has shown little inclination to intervene heavily in the gas sector either. The German gas companies are privately owned and decide their purchasing strategies and investments autonomously within the relevant regulatory framework (including the Energy Industry Act). Germany leaves the development of this fuel to the interaction of market forces and there is no German gas strategy. But the gas sector does possess close contacts in the government, especially the Economy Ministry which by ministerial decree in 2002 authorized the fusion of the country's biggest gas supplier, Ruhrgas AG, with its biggest electricity company, E.ON AG. Similarly, the planned Nord Stream Pipeline – connecting the Russian and German gas networks directly through the Baltic Sea – would never have come into being without government support. More broadly, the energy diplomacy of Foreign Minister Frank-Walter Steinmeier shows that the government's willingness to support energy companies' purchasing initiatives has grown. Thus in August 2008 Steinmeier signed a declaration of intent with Nigeria for the supply of liquefied natural gas.

The enormous potential of renewables in the Middle East and North Africa has also finally been recognized. At the founding ceremony for the Union for the Mediterranean France and Germany announced their Mediterranean Solar Plan, proposing exporting solar thermal electricity from North Africa to Europe. So far the plan is nothing more than a political idea, and will have to be concretized step by step. The Memorandum of Understanding to establish the Desertec Industrial Initiative signed by twelve major industrial companies in July 2009 will put politicians under pressure to develop a comprehensive strategy. The aim of the initiative is to produce sufficient power to meet around 15 percent of Europe's electricity requirements and a substantial portion of the power needs of the producer countries in the region, mainly in North Africa.

Possibilities and options

Germany's options with respect to its energy interests in North Africa and the Middle East are much broader than the strategies that have been applied successfully in the past. Regardless of the type of energy involved (oil, gas, coal), negotiating major energy projects and supply deals abroad requires the support of the government, especially in countries where the state has a strong influence on the energy sector. Visits at the highest political level are often required, in parallel with a dialogue with the energy sector about the desired volume and conditions. This presupposes,

of course, that the representatives of the energy sector who stake their capital on the success of such deals welcome this kind of involvement.

Politicians need to offer concrete support, especially in the gas sector. After the signing of the inter-governmental agreement on the Nabucco pipeline in July 2009 the main political obstacles seem to have been overcome. One major question has yet to be answered: where the gas for Nabucco should come from. To solve this problem intense travel diplomacy by high-ranking EU representatives will still be needed. A positive example is the visit by Energy Commissioner Andris Piebalgs to Turkey and Azerbaijan in November 2008; such activities should be expanded. The consortium itself has shown that it sees a need for “gas lobbying” in the region, and appointed former German Foreign Minister Joschka Fischer as a consultant and lobbyist in July 2009.

Nonetheless, governmental “procurement diplomacy” is still required to fill the pipeline with gas. In the medium term Iraq could be an interesting supplier, but that would mean starting preparing the ground politically today. Such an accord could start with Iraq’s substandard gas infrastructure, offering European assistance with development measures in return for long-term gas supplies for the Nabucco Pipeline. In the long run Germany and Europe will hardly be able to ignore Iran when it comes to gas supplies. The first step towards an energy rapprochement would be to transit Turkmen gas through Iranian territory (and Iranian pipelines), assuming Turkmenistan is willing and able to supply gas to European partners.

Apart from the planned Nabucco Pipeline, there are also possibilities in North Africa, where Germany could work towards acquiring additional gas supplies from Algeria. Here the question of how the gas would be brought to central Europe remains unresolved.

As far as the Solar Plan is concerned, the first thing to do is to draw up a strategy for the next political steps, clarifying who is to coordinate the activities of the EU and the Union for the Mediterranean. Then the plan needs to be adopted by all countries involved, at the highest level in order to generate the required political momentum. The Solar Plan will have the best chances of realization if the individual states implement it through a series of consistent individual steps. Initially, lobbying is needed in North Africa to strengthen political support for the plan, and the political framework in countries like Algeria and Morocco needs to be optimized, and feed-in and transit arrangements need to be established. In Europe itself it must be ensured that the import of North African solar electricity will be recognized when it comes to meeting climate targets, for example the objective of covering 20 percent of the energy supply from renewables. And even if the technical feasibility has been confirmed in principle, many questions in this area remain to be clarified, especially in connection with the heat storage required for baseload electricity generation and the operation of a high-voltage direct current transmission grid. An intensive dialogue will be required, not just between the participating states but

also with industry (solar power plant manufacturers), energy companies and national network operators in all the countries involved.

The most effective tool for helping the region to rein in its runaway growth in energy demand would be to integrate it in international climate treaties. States would then have an interest of their own in halting the untrammelled rise in energy demand. German politicians should also appeal to the responsibility of the oil-rich states and work for abolition or at least reduction of the damaging subsidization of energy prices. The collapse in oil prices caused by the financial crisis could open a window of opportunity because bringing local prices into line with world market levels would currently be less painful than otherwise. It must be remembered that the oil states share surplus revenues with their populations through low energy prices and abandoning this system could trigger social unrest.

The Solar Plan could also contribute to reducing emissions from the region by replacing the fossil-fuelled power stations there with solar power. And even if the oil-rich states continue to use fossil fuels, it would benefit the planet in the long term if they were to do so as efficiently as possible. This applies equally to energy generation and energy use, both fields where Germany has a great deal to offer. Technology transfer and know-how about efficient energy use could be improved with German assistance. It might be possible to export the German model of using energy agencies to raise public awareness about energy efficiency. Germany could participate actively in building up a knowledge base through staff training or conceptual support. That would also prepare the ground for German companies offering energy efficiency products and services.

No region of the world has larger fossil and renewable energy resources than the Middle East and North Africa. Germany would be well advised to maintain and expand its contacts there, building especially on its demonstrable strengths in the energy field.

Conclusions: German Policy in the Middle East and North Africa

Guido Steinberg

Germany faces a plethora of challenges – old and new – in the Middle East and North Africa. The contributions in this volume show clearly how the problems involving German interests, to which German diplomacy will have to respond, have grown in number.

The central long-standing issues are the two big regional conflicts: the Arab-Israeli conflict and the struggle for hegemony in the Persian Gulf, where shifting alliances between Saudi Arabia, Iran and Iraq have created tensions since the 1970s and the United States has intervened militarily several times. Fragile or failing states are another problem closely linked to the big regional conflicts. The most important cases are currently Iraq (only slowly recovering from the civil war of 2005 to 2007), Lebanon (on the brink of civil war, once more, in May 2008 and has remained fragile) and Yemen (whose downward spiral appears unstoppable). The economic dimension of German Middle East policy has grown too. If Germany and Europe wish to reduce their dependency on Russian energy they will have to import more oil and gas from the region under discussion here. Nor will concepts focusing on renewables be able to ignore the solar potential of North Africa. There is growing awareness that the problems associated with migration and refugee movements within and from the region and their repercussions for Europe are liable to become even more urgent. Countering terrorism has been a fixed component of Germany's relations with these states for some years already, and jihadist groups will continue to concern German policy-makers for quite some time to come.

Debates about “trans-national” issues such as migration, terrorism and organized crime have left us more aware these days that the Middle East and North Africa are direct neighbours not only of Europe but of Germany too. Even when viewed superficially it is quickly apparent that the political problems of the region have direct repercussions on Europe too, and that their outcome will play a role in shaping Europe's political future. But the extent to which the insight that this region is becoming ever more important for Germany will be translated into a more active and focused policy is another matter entirely. So far at least Germany has made heavy work of this.

But modesty is the order of the day, anyway. Germany is not in a position to solve all the problems outlined here. German diplomacy must concentrate on selected areas where a resolution is particularly urgent. Improved international cooperation is called for, firstly within the European Union, secondly in the transatlantic framework and thirdly with regional partners. The first few months of the Obama Administration have

already shown signs that Germany and Europe can gain greater influence on US policy if they succeed in developing concepts of their own and offer meaningful contributions. Washington has certainly shown greater willingness to cooperate since the end of the Bush Administration.

Interests

Germany's uppermost interest is the resolution of the two major regional conflicts. The Arab-Israeli conflict is especially important – as Muriel Asseburg explains in her contribution – because so many other problems are linked to it. It represents an important factor motivating and mobilizing Islamist terrorists, contributes to the destabilization of states like Lebanon and fans the flames of conflict between pro- and anti-Western governments in the region. That makes the search for a peaceful solution between Israel and its neighbours the first priority for German diplomacy.

The struggle for hegemony in the Persian Gulf, on the other hand, is crucial because the wars waged in this region since the 1970s have affected the world's energy supply and provoked repeated American interventions.¹ Its fall-out plays a role in almost all the contributions in this volume, reflecting this issue's continuing and growing importance: the nuclear dispute with Iran and the suffering of the Iraqi refugees are both direct consequences of the tensions in the Gulf. As Johannes Reissner explains in his contribution, Germany's response is to define a peaceful solution to the Iranian nuclear crisis as an urgent German interest. But otherwise the Gulf conflict plays only a secondary role in German policy.

Germany also has – partly but not exclusively in connection with the two big regional conflicts – an interest in the states of the region remaining stable. This applies in particular to Iraq and Lebanon. The bloody civil war that raged from 2005 to 2007 threatened to tear Iraq apart, while the fighting that brought Lebanon close to civil war in May 2008 was ended relatively quickly – although the causes still remain.

For Germany it is important to help prevent civil wars and state failures in the first place because of the slew of problems they bring in their wake. Terrorists operate freely in weak states like Iraq, Lebanon and Yemen and exploit them as safe havens. Refugees flee these regions of war and crisis and emigrate to neighbouring countries and to Europe, and organized crime flourishes in this environment. Intervention by neighbouring states can exacerbate regional conflicts.

The German interest in stability focuses on avoiding civil war and state failure, but it must not end up stabilizing the region's largely authoritarian regimes.² This aspect comes out very clearly in the contributions by Isabelle Werenfels on the Maghreb and Guido Steinberg on countering Jihadist terrorism. Long-term stability will only be possible where regimes transform and offer their citizens the possibility to participate politically

¹ These were the Iran-Iraq War of 1980–88, the Kuwait War of 1990–91 and the Iraq War of 2003.

² Israel and – to some extent – Lebanon are the only exceptions.

and to advance socially and economically. If the American and European interest in stability ends up shoring up authoritarian states – as is currently often the case – this is counter-productive. Authoritarian regimes generally possess little legitimacy and have to protect themselves from their own citizens by building up large repressive apparatuses. The resistance they provoke often explodes in violence, and as soon as militant opposition groups form there is a danger of uprisings and civil war. When these groups are forced onto the defensive terrorist organizations emerge, often directing their activities not just against their own regime but also against its Western supporters.

For German counter-terrorism in the Middle East there is often a conflict of goals between the interest in effective measures – for which the co-operation of the region's dictators is necessary – and the interest in steady gradual reform of these systems – which is a necessary precondition for fighting the causes of Islamist terrorism. Here the interest in long-term political change must be given higher priority than short-lived successes in countering terrorism.

German interest in the region's energy resources – especially North Africa's – has become much more prominent in recent years. Libya is – as Isabelle Werenfels mentions in her contribution – Germany's fourth-largest oil supplier, Algeria the eighth-largest. And it would be in Germany's interest to import gas from this region. Jens Hobohm's contribution shows that Germany and the EU are especially interested in gas imports from the Gulf region to reduce dependency on Russia. This end would be served by the planned Nabucco Pipeline from eastern Turkey to central Europe. Although there are sufficient gas reserves in Iran and also Iraq, there is so far a lack of contracts with potential suppliers. But in the medium term Germany's interest is for the region to switch to renewables – especially solar energy – and export an electricity surplus to Europe. Because of their geographical proximity the Maghreb states are top of the list here.

Germany's commercial interests in the region are closely tied to these energy interests (but relatively marginal in terms of German foreign trade as a whole). Germany maintains its closest commercial ties with the United Arab Emirates and Saudi Arabia, which were the most important trading partners in the region in 2007 and 2008, as well as with Libya, Iran and Israel.³ The sanctions imposed in recent years and the lack of government support for German firms have greatly hampered trade with and investment in Iran. This could also be a reason for the renewed German interest in Iraqi reconstruction described in the contribution on Iraq.

Another German concern is to stem irregular migration to Europe. But Steffen Angenendt makes a very clear case that this must mean more than merely preventing immigration. The example of the Iraqi and Palestinian refugees, most of whom live in Syria, Jordan and Lebanon, as well as the

³ In both years German oil imports made Libya the third most important trading partner.

internal refugees in Iraq illustrates the problem. Germany has a great interest in their being allowed to return home because – as the case of the Palestinians exemplifies – the refugee problem has overstretched and destabilized the states of the region and made it harder to find a solution to the Israeli-Palestinian conflict. Refugee populations also provide a setting where organized crime and terrorism can flourish. But Angenendt's contribution also shows that Germany will need regulated immigration to counterbalance its own demographic development and will have to consider to what extent migrants from the Middle East and North Africa can play a role here.

Strategies and concepts

Several authors found that there was no German strategy for the country or issue they investigated. One of the main reasons for this is that there is a lack of concepts for the region as a whole. But where the country's own interests are not systematically discussed it is no surprise that corresponding concepts are not drawn up and that German policy remains incapable of contributing adequately to problem-solving. But that does not mean that there is absolutely no connecting thread running through German policy in the region. Contours are recognizable most clearly where German policy has long-established priorities, as in the Arab-Israeli conflict and concerning Iran.

In the Arab-Israeli or Israeli-Palestinian conflict Germany and the EU, as Muriel Asseburg shows, have accepted the United States as the main power broker and in recent years also taken on board its policies, such as isolating Hamas, blockading Gaza and the "West Bank first" approach. In this phase Germany concentrated above all on measures designed to support the US-led negotiations. But the German policy yielded nothing in the way of positive results. After the 2008/2009 Gaza war the Middle East was as far as ever from peace.

Towards Iran the German government was forced to abandon its policy of "change through rapprochement" piece by piece from 2005. Instead – as described in Johannes Reissner's contribution – Germany joined with France and Britain in direct talks to persuade the Iranian government to abandon its uranium enrichment programme, and agreed at the same time with tightening sanctions in the UN Security Council. This policy continued even after it had obviously failed to achieve results, and by summer 2009 confusion reigned in this issue in Germany.

The lack of political concepts is especially obvious in those policy fields that have only risen to prominence in recent years. That applies, for example, to dealings with Iraq and the Gulf states. From 2003 to 2008 no political line towards Iraq was recognizable. Individual measures were designed in the first place to improve damaged relations with the United States. Not until 2008 did it become clear that the German government was concerned above all to promote commercial contacts and – on a very small scale – to help relieve the suffering of the refugees in Syria and

Jordan. In other words, the German government accepted that it could not make any meaningful contribution to the security situation in Iraq, and consequently shifted its attention to two issues that are less important but nonetheless reflect German interests in the country and the region. The state of affairs with respect to the Arab Gulf states is similar to Iraq pre-2008, as Katja Niethammer explains in her contribution, although here there have at least been exchanges of visits designed to further in particular the German interest in expanding trade relations with the United Arab Emirates and Saudi Arabia. The much-trumpeted “strategic partnership” with the United Arab Emirates, however, is still awaiting implementation.

In the Maghreb Germany pursues its security and energy interests, as Isabelle Werenfels describes, a good deal more purposefully. Bilateral cooperation with states such as Algeria, Tunisia and Morocco in counter-terrorism has been noticeably expanded. In the energy sector the German government is trying, Werenfels writes, “to create a favourable climate for energy cooperation and participation by German energy companies”. But first and foremost Germany supports the economic and political structural reforms put forward for the whole Maghreb region through the EU framework. Success has been lacking here, which was the reason to transform the thirteen-year-old Barcelona Process into the Union for the Mediterranean in July 2008. The biggest problem for Germany in North Africa (and elsewhere) is the conflict of goals between the short-term need for cooperation with authoritarian regimes on security and energy and the long-term interest in transforming these regimes. Germany has not yet found any convincing answers here.

Possibilities and options

The options for more active German policy in the region are certainly narrow, but broader than is often realized. The most important restriction is that powers like the United States and France have established strong bilateral relationships with individual states in the region, which prevent Germany from playing a more active role. The United States maintains such relationships almost everywhere in the region, with the important exceptions of Syria and Iran. It is no accident that that is precisely where more room for active German and European participation is found. As the former colonial power, France profits above all from deeply rooted cultural, economic and political ties in the Maghreb. These special relationships can – at least in the case of the United States – be accepted in the form they have adopted. But this should not lead Germany to acquiesce in policies that are not sensible. Berlin should call confidently for changes and bring alternative concepts into play, for example in relation to the isolation of important actors like Iran and Syria, but also Hamas. As long as Germany has no concepts of its own to offer it can neither expect to be taken seriously as an independent actor nor play a role in making European policy more independent, confident and outcome-orientated.

Germany must be clear that new rivals entering the Middle East will further shrink the options open to German and European diplomacy. Russia is already consolidating its position in the energy sector and is an important arms supplier. China and India are rising competitors for the oil and gas of the Maghreb and the Gulf and will be much more active in future. Some states in the region will use this to demonstrate their independence from the West. Russia, China and India do not “pester” other governments with demands for more democracy and better governance. There are no signs yet of a geopolitical realignment, but the possibility fundamentally exists. The Gulf states already export much of their oil and gas to East Asia. It must be assumed that in the event of prolonged conflict or military escalation with the West Iran would reorientate towards Russia or China.

Diplomacy in the region will continue to entail many challenges for Germany and Europe. The big regional conflicts are still unresolved, the stability of several states is endangered, competition for resources like oil and gas (and even water) is hotting up, economic development is stagnant across broad swathes of the region, refugee crises exacerbate socio-economic troubles in host regions, and Islamist terrorists exploit their adversaries’ every weakness. So there are many starting points for a more active, more forward-looking and more strongly interest-led German policy in this nearby region. Just to take the example of refugee policy: there are approximately 4.5 million Iraqi refugees in Iraq itself, in Syria and in Jordan, whose host countries need aid. Here Germany could give a lead, acting together with the European Union. Other conceivable activities could include expanding contacts with the future elites of the Gulf region by intensifying education cooperation and cultural exchange or preparing a strategy for resolving the conflict of goals between countering terrorism and governance reforms in Algeria.

Appendix

Abbreviations

BAMF	Federal Office for Migration and Refugees (Nuremberg)
BKA	Federal Office of Criminal Investigation
BND	Federal Intelligence Service
CFSP	Common Foreign and Security Policy
DAAD	German Academic Exchange Service
DLR	German Aerospace Centre
EMP	Euro-Mediterranean Partnership
ENP	European Neighbourhood Policy
ESVP	European Security and Defence Policy
EU	European Union
EU-3	Germany, France and Britain (in talks with Iran)
EU BAM Rafah	EU Border Assistance Mission Rafah
EUPOL COPPS	EU Police Coordinating Office for Palestinian Police Support
G8	Group of Eight (the seven leading Western industrial nations plus Russia)
GCC	Gulf Cooperation Council
GSPC	Groupe Salafiste pour la prédication et le combat (Algeria)
LNG	Liquefied Natural Gas
PA	Palestinian Authority
PJD	Parti de la Justice et du Développement (Morocco)
PLO	Palestine Liberation Organization
UAE	United Arab Emirates
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
UNIFIL	United Nations Interim Force in Lebanon
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East

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