



Navigating Europe's southern challenges

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Abstract

The EU's foreign policy is currently focused on supporting Ukraine in resisting Russian aggression and on dealing with the consequences of the war, particularly in terms of energy security. But Europeans also face many challenges in the Middle East and North Africa (MENA), from countering extremism and tackling Iran's expanding nuclear programme to addressing widespread social and economic fragility. The problem is that European foreign policy towards the MENA region has often suffered from disunity among the member states and a lack of assertiveness, particularly in dealing with security issues. Still, Europeans cannot insulate themselves from what happens in the region. They will have to devote more political attention and resources to tackling its economic and security challenges.

Keywords

EU, Foreign policy, MENA, Middle East, North Africa

Introduction

Vladimir Putin's invasion of Ukraine in February 2022 forced EU policymakers to focus on supporting Kyiv and reducing Europe's energy dependence on Russia. But developments to Europe's south continue to affect European security. Europeans cannot insulate themselves from what happens in the region, as the spillover from the disastrous civil war in Syria has shown. The EU's efforts to reduce dependence on Russian hydrocarbons mean that the EU will be comparatively more dependent on energy imports from the Middle East and North Africa (MENA) for the time being, as renewables production is

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unlikely to be enough to fill the gap in the short term. In the third quarter of 2022, Europe imported over a quarter of its oil and around 14% of its gas from the MENA region (Eurostat 2022).

The article takes stock of the key threats and challenges facing the EU in the MENA region. In terms of security, these range from countering extremism to dealing with the growing threat from Iran's nuclear programme and navigating the difficult relationship with an increasingly assertive Turkey. Then there is the longer-term challenge of widespread social and economic fragility, which fuels instability and extremism, and could lead to conflict and large-scale migration to Europe. The economic spillover of the war in Ukraine risks worsening these challenges through higher inflation, energy costs and commodity prices that many countries in the MENA region are ill-prepared to cope with (International Crisis Group 2022).

Europe will have to grapple with these challenges at a time when the perception of US disengagement from the MENA region has increased China's influence and made regional powers more assertive, and these changes risk undermining European unity. If Europeans want to secure their southern flank, they will need to overcome their divisions and passivity, become more assertive and devote more resources to fostering stability, growth and good governance in the MENA region.

Iran and its nuclear programme

Of all the challenges the EU faces to its south, dealing with Iran's foreign policy and its nuclear programme stands out for its urgency and seriousness. To advance its bid for regional hegemony and make up for its weak conventional military, Iran has nurtured proxies in Iraq, Lebanon and Yemen which it uses to increase its influence and keep its adversaries off-balance. Iran has also developed a nuclear enrichment programme, with the aim of having a 'nuclear option' (Jones 2019). Curtailing this programme was the explicit aim of the 2015 nuclear deal, the Joint Comprehensive Plan of Action (JCPOA), which former US President Donald Trump abandoned in mid-2018.

Europeans attempted to keep the nuclear deal alive for several years after Trump withdrew from it, and they encouraged Biden to revive it after he became president. However, EU-facilitated negotiations led nowhere, and the momentum to revive the agreement waned. Tehran's support for Russia's invasion of Ukraine, through the provision of drones, and its brutal repression of the anti-regime protests that erupted in late 2022 have prompted a change in European policy. The EU has imposed new sanctions on Iran and the mood towards Tehran has soured. In theory, the EU continues to seek a revival of the nuclear deal. But Iran and the US appear uninterested, while Europeans are no longer in the mood to make any concessions to Iran. The fact that some of the JCPOA's limits on Iran's nuclear programme would begin to expire in 2025 is yet another reason why reviving the deal has lost much of its appeal.

However, that does not mean that the problem of Iran's nuclear programme will disappear. On the contrary, its threat is growing: in January the head of the International Atomic Energy Agency, Rafael Grossi, stated that Iran now has enough fissile material to build a nuclear device (Alkhaldi 2023). Tehran is also limiting its cooperation with the Agency, which makes it harder to monitor Iran's activities (Hafezi and Murphy 2022). This does not mean that Iran has made the decision to build a nuclear weapon, and even if it had, placing a warhead on a missile would be difficult. Still, Iran is clearly closer than ever to having a usable nuclear weapon.

As Iran moves towards nuclear capability, the risk of a regional war increases. The US has imposed new sanctions on Tehran to push it to curtail its programme. But there is no guarantee that this approach will work. Iran is likely to respond to economic pressure asymmetrically, by using its proxies to attack US forces and their allies, or by targeting shipping and oil facilities around the Persian Gulf, as it did when Trump was president. Such attacks may set off a spiral of escalation that could be difficult to contain. A conflict could draw in Iran's allies in Iraq, Yemen and Lebanon, and could result in large-scale disruption to energy supplies to Europe, worsening the current energy crisis and complicating the green transition. At the same time, the more Iran's nuclear programme advances, the more likely it is that Israel and the US will decide that they have no choice but to strike Iran's nuclear facilities. However, an attack may not eradicate the nuclear programme, and Iran would retaliate, probably sparking a regional conflict.

Europeans have little choice but to use a mix of diplomatic and economic pressure to steer Iran towards accepting limits on its nuclear programme. While reviving the JCPOA is likely to be impossible, it may be possible to reach a more limited agreement, with Iran rolling back recent advances. Europeans will have to leverage the threat of a US and Israeli military strike to persuade Iran that a deal is in its interests. A limited agreement would be unsatisfactory to many, but it would still be better than an Iranian nuclear programme with no limits at all. At the same time, Europeans will have to continue to deal with Iran's disruptive foreign policy. They should continue to sanction Iranian entities that are involved in supporting Russia's war on Ukraine, and contribute to regional de-escalation by persevering with their efforts to encourage a détente between Iran and its Gulf rivals. The EU has more limited options to support Iran's protesters. In reality, the most Europeans can do is hold human rights abusers to account, as the alternative of imposing sweeping economic sanctions on Iran would only hurt the Iranian people.

Turkey and the eastern Mediterranean

Navigating relations with Turkey stands out as another major challenge for the EU. While Turkey is still an accession candidate, negotiations have been frozen for years due to both the deterioration of democratic freedoms in Turkey and Ankara's foreign policy. Turkey has questioned Greece's sovereignty over some Aegean islets, carried out hydrocarbon explorations near Greek islands and off the coast of Cyprus, and used threatening language towards Athens. At the same time, Turkey's ongoing veto of Finnish and Swedish accession to NATO, and its military interventions in Libya and Syria have also soured relations with many member states (Scazzieri 2022).

The period prior to the Turkish parliamentary and presidential elections, scheduled to be held in May this year, is likely to see renewed tensions between Turkey and the EU. To win the election President Recep Tayyip Erdoğan will try to rally his base using a range of methods. He is likely to resort to nationalist rhetoric and may send ships and planes close to Greek islands to assert Turkey's maritime claims. While a military incident is possible, the risk of a full-blown conflict is low, not least as that would prompt Washington to become involved.

Dealing with Turkey after the election is likely to be an even bigger challenge. If Erdoğan remains in power, the EU should prepare for relations with Ankara to sour further. The risk is that freedoms in Turkey would continue to deteriorate, moving the country further away from democracy. At the same time, Ankara would probably continue to pursue a militarised foreign policy in its neighbourhood. As a result, many in Europe would increasingly question Turkey's status as an EU candidate country. Turkey would, however, remain linked to the European economy, and Ankara's geopolitical importance means that the EU would still need to work with it on many issues, ranging from countering terrorism to managing migration and supporting Ukraine in resisting Russian aggression. But it would be difficult to cooperate on anything other than a highly transactional basis, and there would be little hope of improving relations.

However, based on current polling, Erdoğan's victory is not a certainty, and the opposition stands a decent chance of winning the parliamentary elections, if not the presidential one. A victory for the opposition would be an opportunity to relaunch the EU–Turkey relationship. An opposition government would be likely to pursue a less militarised foreign policy, seek closer relations with the EU and the US, and revive democratic freedoms in Turkey, including by returning to a parliamentary system of governance (Coşkun and Ülgen 2022). These steps would pave the way for a rapprochement with the EU and a more cooperative atmosphere.

An opposition victory may expose divisions between member states over how to deal with a 'new Turkey'. But it would be in the EU's interest to seize the opportunity to relaunch the relationship. A good first step would be to revive the idea of upgrading the EU–Turkey customs union to cover areas such as services and public procurement. The entry into force of an agreement could be made conditional on Turkey applying the customs union to Cyprus, which may serve to give new impetus to resolving the Cyprus dispute. Even under an opposition government, Turkey is unlikely to sign up to as tough a policy towards Russia or China as the EU (or the US) would like. But there would be greater potential for cooperation with Europe on issues relating to Middle Eastern security, such as stabilising Libya.

New crises?

Dealing with the threat from Iran and managing the difficult relationship with Turkey are tricky but predictable challenges for European policymakers. To these, one must add the risk of potential new flashpoints emerging. Three stand out: an intensification of the

Israel–Palestine conflict, the further destabilisation of Lebanon or Iraq, and renewed fighting in Libya.

In January Israeli Prime Minister Benjamin Netanyahu took the helm of a coalition government that includes parties on the far right (one minister, Itamar Ben Gvir has criminal convictions for racism and supporting far-right terrorism). The new government wants to expand settlements in the West Bank, which will further decrease the prospect of a two-state solution, to which the EU remains committed (Kurtzer-Ellenbogen 2023). At the same time, Israeli security forces are being more heavy-handed in dealing with security in East Jerusalem and the West Bank, which is inflaming tensions with Palestinian militant groups. The risk is that clashes could spiral into a full-blown regional conflict, particularly if they draw in Hezbollah in Lebanon. Continued Israeli settlement expansion, or a change of the status quo at holy sites, should force the EU to reassess its policy towards the conflict and act more assertively to persuade Israel that settlement expansion is not in its interest, whereas improving living conditions in the occupied territories is.

A regional conflagration linked to the Israel–Palestine conflict could set the stage for Lebanon or Iraq to become even more unstable. Lebanon is in the throes of a profound economic and political crisis. A return to large-scale violence between Hezbollah and its opponents is not inconceivable, and could prompt a fresh exodus of refugees into neighbouring countries and Europe. Meanwhile, Iraq continues to be in a long-running political crisis punctuated by unrest. If it became further destabilised this could strengthen extremists and turn the country into an arena in which its neighbours jostle for influence.

In North Africa the main risk is that of renewed instability in Libya. After the repeated failure of UN-led attempts to broker a unity government, the country is yet again divided between a government in Tripoli and one in the east, and elections have been delayed time and time again. In August last year there was a flare-up of violence when forces aligned with the eastern government unsuccessfully tried to enter Tripoli. Renewed fighting would further undermine the prospect of creating a political process to piece the country back together. To avoid this, Europeans need to throw their weight behind a new effort to hold elections that can provide Libya with new legitimate institutions.

Towards a new EU policy for the southern neighbourhood?

The EU's efforts to deal with the MENA region's challenges are being complicated by the perception of US disengagement from the region. This started under Obama and has continued under Trump and Biden. The US insists that it remains committed to the region, but these assurances are not persuasive to its partners. Washington has withdrawn substantial numbers of troops from the region. Perhaps more importantly, US partners such as Saudi Arabia and the UAE think that Washington does not do enough to defend them against Iran (Panikoff 2022). The perception of US disengagement, real or not, has led regional powers to become more assertive and to seek new partnerships, boosting economic ties with China (Feltman et al. 2019). China's political influence in the MENA is also growing, as shown by the Iranian-Saudi rapprochement that Beijing brokered in early March.

Europeans will have to learn how to deal with a more complex regional environment, using their resources more effectively. Europe is still very influential in the MENA region. It is the biggest trading partner for most countries there, and the EU can be influential in diplomatic and security terms when the member states agree, as exemplified by their efforts to strike and then try to uphold the Iran deal after Trump's withdrawal. But Europeans have often suffered from a lack of unity and a lack of assertiveness, particularly when dealing with issues of hard security, such as the regional conflicts in Syria and especially in Libya, where Italy and France pursued uncoordinated and competing policies.

Meanwhile, the EU's economic influence is stunted by the fact that the Union offers its neighbours a partnership that they see as unequal, with relatively few economic benefits. The Union's existing trade agreements are limited and essentially only provide for tariff-free trade in industrial goods. The Union's offer of deeper trade agreements with many countries in the region has been stymied by the fact that this would require the partners to adopt much of the EU's *acquis*, which is politically difficult. EU financial support is also limited: in 2021 the EU launched a 'Renewed partnership with the southern neighbourhood', worth a paltry €7 billion of funding over seven years.

It would be in the EU's interest to invest more financial resources and effort into stabilising the countries to its south. The EU could develop a new partnership model for its southern neighbours based on four pillars: (i) extensive political coordination and consultation; (ii) better access to the single market; (iii) greater funding, geared towards supporting partners to produce clean energy and decarbonise their economies; and (iv) greater people-to-people contacts (Scazzieri 2020). The neighbours would become more prosperous and stable. The EU would become more influential and able to advance its own interests and promote its values in the region. Developing such a partnership model could be made easier by the fact that the EU is shifting towards a more gradual 'phased' form of accession, which should lead the Union to develop new ways to integrate and cooperate with non-members.

Conclusions

The continuation of Putin's war of aggression against Ukraine means that the attention of European policymakers has been focused on helping Ukraine and dealing with the economic consequences of the conflict. However, Europe will not be able to insulate itself from the challenges to its south. To effectively address these challenges, Europeans will have to overcome their differences, take more responsibility for security, and invest more attention and resources in the MENA region.

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