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Islamist-led foreign policies: what implications?

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»» The sweeping electoral victories of Islamist political parties are set to shift the terms and priorities of European engagement with Arab states. A recurrent theme in Europe's policy debates has been the concern that democratic elections in the Middle East and North Africa (MENA) would bring governments to power that are hostile to key Western interests. Indeed, fears that new governments may upset the basis of the region's fragile security arrangements have been a major driving force behind the tacit EU and US support for Arab autocrats. As democratic elections across North Africa begin to bring a new political class to the fore, international partners are wondering what to expect.

The 2011 uprisings carried the Islamist momentum from squares to institutions. After decades of more or less overt repression, the Egyptian Muslim Brotherhood (MB) and its international offshoots are starting to taste power. Tunisia's Ennahda and Morocco's Justice and Development Party (PJD) have become the first Islamist parties ever to form governments in their countries. Islamists are also expected to play a leading role in the new order in post-war Libya. MB offshoots across the region, including in Algeria, Jordan and Palestine, see opportunity ahead.

The incoming governments in North Africa will find their attention mostly occupied by domestic politics, in particular kick-starting depressed economies and restoring security. Foreign policy may be an important tool in advancing these aims. Most of the parties now coming to the fore embrace international cooperation, investment

HIGHLIGHTS

- As democratic elections across North Africa bring a new political class to the fore, international partners are wondering what to expect.
- Unless sudden turns in the security setup of the Mashreq require governments to readjust their solidarities, peace treaties with Israel are likely to be upheld.
- Emerging leaderships' foreign policies will be pragmatic as economy, not ideology, will rule the Mediterranean in the years to come.

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»»»» and the market economy. Islamist parties have been eager to undo the isolation from the West that had been forced upon them by former authoritarian rulers. But while the EU and the US are to remain important partners, inter-Arab cooperation, as well as ties with emerging powers, are to be strengthened.

Europeans are concerned about the impact stronger intra-Arab and intra-Muslim alliances will have on the waning EU influence in the region, and the effect these developments will have on central European interests such as energy security, counter-terrorism, migration and trade. The new Arab self-confidence is likely to ensure that new governments do not replicate their predecessors' compliant embrace of the West. At the same time, Islamist parties have been keen to reassure their international partners by stressing continuity in their countries' major foreign affairs partnerships. Remembering the experience of Algeria in 1991 and Palestine in 2006, when Islamist electoral victories were over-turned with the backing of the West, faith-based parties have been acting very cautiously in order to forestall a backlash. But although fundamental changes are unlikely to occur during these governments' first terms, they may occur over a longer period of time.

COLD PEACE WITH ISRAEL

Much of the EU's wariness about the 2011 Arab uprisings has been rooted in fears that new governments led by Islamists linked to the pan-Arab Muslim Brotherhood movement may be less friendly toward Israel than their predecessors. And in fact, recent public debates in Egypt and Jordan, the only two Arab countries with formal diplomatic ties to Israel, have questioned their countries' respective peace treaties with Israel more forcefully.

Since its signature in 1979 after the Camp David negotiations, the Egypt-Israel peace treaty has secured the cold peace between the two countries that has been the backbone of the Middle East's fragile security architecture. Egyptian parties across the political spectrum have long been

critical of the treaty, which is highly unpopular among the Egyptian public. In its platform for the 2011 elections, the Freedom and Justice Party (FJP), the MB's political arm, listed among its main foreign policy aims the 'need to confront the aggressive and expansionist Zionist entity', and made the upholding of all existing peace treaties subject to a national referendum. In practice, the MB's stance on the peace treaty has been less oppositional: following their electoral victory, MB/FJP leaders assured their international partners that all existing treaties would be respected. But remarks at grassroots events and to the media speak a different language. In February 2012, in reaction to US conditionality threats over Cairo's recent NGO crackdown, Essam El-Eriyan, the head of the Parliament's foreign affairs committee, became the first FJP leader to explicitly question the upholding of the peace treaty. The annual \$1.3 billion military aid to Egypt is regarded as Egypt's reward for maintaining the treaty against the will of the public.

The MB's erratic course on controversial issues may be due to internal disagreements, as well as the lack of political experience within a party that in less than a year has gone from illegality to grasp of government. A breach of the treaty would cause border problems and the potential loss of US military aid, which the incoming government cannot afford, since Egypt's domestic security is fragile and its economy is 'on the brink of collapse'. Moreover, the MB's rise to genuine government responsibility will depend on a pact with the ruling Supreme Council of the Armed Forces (SCAF), which is the principal beneficiary of the peace treaty and all the aid and procurement business attached to it. Though unlikely to cancel the treaty, both government and parliament may press to renegotiate several of its provisions, including the limits to Egyptian police and military presence on the Sinai. Indeed, the deteriorating security situation on the Sinai since the revolution is seen by some as the desired result of deliberately lax controls by the new Egyptian leadership in order to convince Israel to agree to review the treaty's conditions.

The potential deal breaker for all Arab peace treaties with Israel would be an Israeli (or US) attack on Iran. In this case, Islam may prove the strongest bond, making populist slogans about Muslim solidarity come alive. If the Arab states aligned themselves with Iran, it would lead to an explosive polarisation and probably violent showdown in the Middle East, with unpredictable consequences for the whole region. More likely, however, is that Muslim solidarity towards Shi'a Iran would not be enough to entice newly empowered Sunni Islamist governments to risk their domestic bids for power.

The empowerment of the Egyptian MB in effect ends the isolation of its Palestinian offshoot, Hamas. While recognition of Israel by Hamas remains off limits, many signs point towards its

increasing political pragmatism. Internal suggestions to re-brand Hamas as a Palestinian chapter of the Muslim Brotherhood indicate a desire within Hamas to take advantage of the current Islamist momentum to forge ties across the region and with the West. At the same time, internal consensus among Hamas' leadership is eroding, and inner-

Palestinian reconciliation efforts meet with resistance from those who see little benefit in sharing power with Fatah at a time when Hamas is in the ascendancy. While it might not happen just yet, a post-Camp-David order is probably in the making.

PRAGMATIC ALLIANCES

The new generation of Arab foreign policy actors vows to expand their portfolio of partnerships and alliances, to the relative detriment of the

West. Some observers have been wary of pan-Islamist, pan-Sunni or pan-Arab alliances, fearing an anti-liberal or anti-Western plot. Such fears are overstated, since first and foremost, diversification is likely to be pragmatic. To the degree that economic imperatives define political options, new Arab governments will need to diversify their alliances for functional reasons, rather than in the pursuit of Machiavellian power politics.

Alliances are emerging with both primarily economic and primarily political rationales. Economic diversification is vital for growth. In 2011, Tunisia's GDP growth declined from 3 to 0 per cent and Egypt's from 5 to 1 per cent. Egypt's unemployment rate is estimated to have risen from 10 to 15 per cent, and youth unemployment is 25 per cent. Libya's economy shrank by 50 per cent, as the war paralysed the oil industry. Tourism in the region has been hit hard, and overall foreign direct investment has dropped by over a quarter. EU and US ability and willingness to invest in the region has suffered heavily from the financial and economic crisis. So, the need to restart the economy is forcing non-oil states in particular to seek opportunities elsewhere. Efforts are under way to strengthen regional integration. With Gaddafi's blockage gone, Tunisia is lobbying for a revival of the Arab Maghreb Union. Most political forces in Egypt are seeking to expand ties with the countries of the Nile Basin. While North Africa's economic ties with China and India are developing, the influence of the Gulf countries has been strongly felt. For the new leaders, success in getting the economies of Egypt, Tunisia and Libya back on their feet will determine their fate in the next elections.

Without Gulf investment and loans, North African transitions will be a heavy lift. The current lack of investment security in North Africa puts off potential investors. But while direly needed in most of the region, increasing Gulf investment is also seen with suspicion. In Tunisia, there is a creeping sense of Gulf buy-out after the country has emerged from its



The new requirement of domestic accountability will make emerging leaders more difficult to 'manage' from outside

»»»»» political ashes. Egypt is seeking to build bridges with the Gulf, because it urgently needs funds. Saudi Arabia and the United Arab Emirates are the two largest economies in the Arab world and the biggest investors in Egypt. But hardly any grants have been promised to Egypt by the Gulf states, and from the approximately \$20 billion of investment and project funding pledged by Gulf states to Egypt in 2011, only \$500 million – from Saudi Arabia and Qatar – has so far materialised. Having earlier rejected an IMF loan, and lacking the capacity to develop projects necessary to receive the promised Gulf money, the Egyptian authorities have been running the country on the central bank's foreign reserves, which are about to run out. Egypt is currently concluding a \$3.2 billion loan with the IMF, which is hoped to restore some confidence in the government's economic reform efforts.

In the political sphere, the region is seeing a shift of power towards the Gulf, with Iran and a number of emerging middle powers struggling for primacy. Alliances are being built with related political leaderships (for example, between different MB offshoots), as well as along sectarian lines, with some observers fearing the rise of a regional Sunni-Shi'a divide. Egypt's desire to regain its traditional clout in the region will require it to maintain good relations with the region's other power strongholds, Saudi Arabia, Iran and, increasingly, Turkey and Qatar. While deeply suspicious of each other, the MB and the Arab Gulf states both belong to the Sunni Arab axis that the MB seeks to strengthen, and both share a preference for a conservative brand of economic liberalism. Unlike Egypt, Tunisia does not aspire to a regional leadership role. While Tunisia's proud post-revolutionary government displays a new self-confidence on the regional stage, Ennahda leaders stress they want 'zero problems'. They also say they will take up relations with neither Israel nor Iran, because there is currently 'no public appetite' for this.

The outcome of the internal conflict in Syria is likely to alter meaningfully the dynamics of inner-regional alliances in the security-sensitive Mashreq. The decline of Syria has led Hamas to

seek alternative alliances across the region. Turkey-Hamas ties in particular have been getting stronger after Turkey broke ties with former ally Bashar al Assad. Given Hamas' financial support from the Gulf, however, it remains doubtful that Turkey would be able to influence Hamas positions in any significant way. Economic relations between Egypt and Turkey have been strengthened through a number of agreements. Turkey's success in both economic development and foreign policy has inspired some admiration across the Arab world.

Depending on who succeeds the Assad regime, which is unlikely to survive the current internal strife, Iran may take yet another step towards regional isolation. Most of the Sunni Gulf monarchies and most North African governments oppose Iran's policies. And Hamas' relationship with Iran is on the brink of failure. The demonstrative bonding of Hamas leaders with Tehran's in front of the cameras contrasts with Iran's reported ending of financial support to Hamas over its fallout with the Assad regime, and Hamas' recent announcement that it would not support Iran in a war against Israel. In Egypt, the FJP has said that it will try to re-establish diplomatic ties with Iran and put an end to Mubarak's policy of keeping Tehran at arm's length, even though the ruling military remains reluctant.

The Gulf States have presented a more unified front in the face of the nuclear threat posed by Iran. Egypt is important to Gulf security, mostly due to its military strength. But Gulf powers such as Saudi Arabia are suspicious of the emerging Islamist governments in North Africa. Several Gulf States have attempted to prevent domestic uprisings while selectively supporting revolutionary regime change abroad. Gulf leaders are afraid that strengthening ties with Egypt or Tunisia may imply 'importing' unwanted revolution.

One side effect of the uprisings in North Africa has been a growing emancipation from Western hegemony. The new class of political actors in North Africa displays an assertiveness in foreign

affairs that is often an expression of a nationalist populism that resonates well with newly empowered Arab electorates. Opposition to Western hegemony and ‘foreign meddling’ is evidenced in the widespread public sentiment against international electoral monitoring or NGO funding. Islamism by no means has the monopoly on this kind of populism; any democratically elected government in the MENA will probably favour a more assertive and less aligned foreign policy than in the past. This should put an end to the North African knee-jerk acceptance of strategic Western priorities. The fragility of the current domestic power structures requires politicians to reconcile their constituencies’ preferences with political pragmatism and coalition-building. In that sense, the trend towards populism represents a ‘normalisation’ of Arab politics. Yet, the new requirement of domestic accountability will make emerging leaders more difficult to ‘manage’ from outside, hence reducing the likelihood of the kind of patron-client relationship that has characterised EU relations with Arab countries over the past decades.

For the time being, however, the assertiveness of the new leaders will be limited by the degree to which their countries need cash, investment and new markets. Political and economic diversification notwithstanding, incoming governments are reaffirming their commitment to a strong partnership with the EU, which remains the region’s principal trading partner. For example, the EU accounts for 80 per cent of Tunisia’s trade exchanges, and the new Prime Minister Jebali recently reiterated to his Brussels counterparts Tunisia’s interest in an ‘advanced status’ and in the establishment of a free trade area with the EU. Like their predecessors, new Southern partners want to strengthen economic ties with the EU, and they stress the huge potential of greater Mediterranean integration. Fears of an immediate loss of Western influence, therefore, are exaggerated. While their relative political influence is sinking, the economic power of the EU and the US in the region will ensure the continued dependency of Arab economies for quite some time.

WHAT EUROPE SHOULD DO

While not likely to rock the boat of EU-Mediterranean relations in the immediate future, the emergence of new foreign policy actors in the Southern Mediterranean will demand greater nuance, complexity and strategic thinking in forming EU policies in the region.

The spectrum of potential partners has widened, ranging from comparatively static EU-strongholds to petro-states to resurrected regional brokers. If the current European Neighbourhood Policy (ENP) is a blessing to some, to others it is a straitjacket. Europeans can no longer take for granted that the ‘EU brand’ is appeal enough in itself. A more appropriately shaped ENP will have to be combined with other policy frameworks where the ENP’s appeal is insufficient. Democratically legitimate Arab partners demand interest-based cooperation, and a more strategic and targeted kind of partnership model must be forged. An extension of the ‘strategic partnership’ approach to its Southern Neighbourhood may be one possible way to complement existing Mediterranean policies.

The diversification of intra-regional ties bears important opportunities for EU interests. For example, greater South-South integration could provide unexpected economic impetus for the Mediterranean, of which both shores are in dire need. And, Islamist governments could play a positive – if not decisive – role in conflict mediation with Iran and Syria, and in particular in advancing inner-Palestinian reconciliation, opening up new avenues for dialogue and second track diplomacy. Commendably, reflections are under way on whether and how to move EU engagement with Hamas from backchannels to the front stage.

Since tough times lie ahead for EU influence in the region, the EU should lay the groundwork for varied, lasting alliances now. From a geostrategic point of view, it might be wise to invest in meaty strategic partnerships with



»»»» emerging middle powers such as Egypt and Turkey before they get too powerful and well connected to care for EU cooperation. By a similar token, the EU could explicitly target pivotal small countries such as Qatar which has successfully established itself as a small but powerful regional broker.

Unless any sudden turns in the security setup of the Mashreq require governments to readjust their solidarities, it will be economy, not ideology, that will rule the Mediterranean in the coming years. What starts out now as nuances in North African foreign policies, however, could likely grow into more substantial political

divergences in the years and decades to come. The fall of the old regimes is an opportunity for the EU to build new relations with emerging Arab leaders, to the benefit of both. Rather than holding on to backward-looking containment strategies, the EU should therefore embrace the opportunities inherent in the rise of a new political class, including the chance to reinvent its own role in the Mediterranean.

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