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What is the Status of the EU-GCC Relationship?

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The European Union (EU) and the Cooperation Council for the Arab States of the Gulf (GCC) are leading projects for sub/regional integration in their respective geographical areas. Despite substantial differences between them, the organizations have been interacting since the early 1980s, right after the GCC's establishment, a time when the EU did not yet exist and its predecessor, the European Community (EC), played a central role in European integration. The GCC initiated the relationship, seeking a closer cooperation with the EC. The first EC-GCC joint ministerial meeting was held in 1985 and was followed by further rounds of negotiations. These led to the signing of a Cooperation Agreement (CA) on June 15, 1988. It entered into force on February 20, 1989. According to Luciani and Schumacher, this Agreement was expected to “become a broad basis of cooperation on all aspects relevant to bilateral relations” (2004: 26). At the time, the tangible result of the Agreement was expected to be the conclusion of a Free Trade Agreement (FTA); a goal that was thought would be achieved in a short time horizon (initial history summarized from Luciani and Schumacher: 23-4 and 30). This rested on the view, expressed in both formal documents and academic sources, that the regions share many common interests in economics, politics, security, or energy (cf European Commission, 1995 or Koch and Stenberg, 2010: 11-15). Nevertheless, 25 years later, GCC-EU cooperation results fall short of the initial expectations. The European Commission has characterized the results derived from the CA as “limited” (1995: 1a) an evaluation echoed in the mid-2000s academically. Luciani's and Schumacher's overall assessment of the relationship's outcomes is quite negative (2004: 23-51), while Escribano-Fraces has referred to the GCC as falling within “the periphery of EU external relations” (2005: 6).

This poses a series of questions, which the paper will attempt to answer: what have been the main positive and negative aspects of EU-GCC relations; what have been the key causes of this state of affairs; what is the overall outlook for the immediate development of the relationship? It will also briefly discuss the possibilities for these institutionally very different organizations to establish a better working relationship and provide some general policy recommendations. To that end, the first section takes stock of the EU-GCC relationship from its inception to 2009. Section two outlines recent developments (since 2010) and discusses possible scenarios for the immediate future. Section three provides policy recommendations aimed at improving EU-GCC relations.

The EU-GCC relationship has been explored from various points of view: economic (Escribano-Fraces 2005; Luciani and Schumacher 2004), political (Fürtig 2004), and security (cf. Koch 2008). This has provided an overview of the relationship's main issues and developments, analysis of its positives and negatives, and has outlined the major obstacles faced. Therefore, in an effort to go beyond the existing literature and to contribute to the current debates, this paper argues that an important aspect of the relationship, so far not explicitly dealt with, has been the divergence in many of the fundamental norms/values held by the organizations. Arguably, these have led not only to very different institutional outlooks of the two organizations but perhaps even more importantly, to at times (drastically) different social institutions. Such a proposition follows (broadly) the 'constructivist turn' in International Relations (IR) theory. It sees institutions not only as formal entities (i.e., Parliaments, etc.) but also as informal understandings/standards, which provide individuals/groups with their identity and define their interests (Walter, et. al, cited in Ikenberry, 1994: 5-6). A consideration of EU's and GCC's norms/values adds a complex layer into the relationship's analysis. However, it also provides a convincing complementary perspective on why despite the widely acknowledged commonality of many of the organizations' interests, the relationship did not develop very smoothly. Furthermore, it points to one substantial area future interactions almost certainly will have to address, if more encouraging outcomes from EU-GCC interactions are to take place.

Main Issues in, Positive and Negative Outcomes of, and Obstacles to the EU-GCC Relationship 1980s - late 2000s

The 1988 CA established the legal and institutional framework for the EU-GCC relationship (Saleh 1999: 51 for more details). Furthermore, it provided for economic cooperation and envisaged that the parties will work together in the areas of energy,

industry, trade and services, agriculture, fisheries, investment, science, technology and environment (listed in Luciani and Schumacher 2004: 27-9). Although actual outcomes have fallen short of the 1980s expectations, activities have been undertaken in virtually all of the areas listed. Therefore, instead of reviewing progress in each area (as done in Luciani and Schumacher: 23-51), this paper outlines the most notable developments divided into the following categories: FTA negotiations, dialogue on political/security issues, and cooperation on pragmatic issues. The last group encompasses undertakings under most CA areas because overall activities have been limited to low-level exchanges.

EU-GCC FTA negotiations started in 1990 (Baabood 2006: 34), shortly after the CA entered into force. The CA granted ‘most favored nation’ status to the parties’ exports. The FTA was expected to further boost inter-regional trade and investment (Reuters 2008), leading to better conditions for access in the EU of Gulf exports (esp. petrochemicals), and an influx of European investments into the Gulf economies, thus facilitating attainment of GCC’s economic diversification programs (cf Kawach 2008 or Echagüe 2007: 11). The EU’s main driver for establishing a closer relationship was ensuring stable energy supply at acceptable prices and better market access for Union products (Kawach 2009). However, at the time of writing (June 2013), an FTA has not yet been concluded. Perhaps even more importantly (and discouragingly), EU and GCC practitioners do not specify a time-horizon for reaching the FTA (author’s interviews, February-March 2013). Several main issues have contributed to this poor record: European petrochemical producers’ strong opposition; EU’s adoption of higher carbon taxation; GCC’s delays in establishing a customs union; disagreements over some of the agreement’s provisions, i.e., the inclusion of the so-called ‘human rights clause’ (HRC),¹ export duties (Sreekumar 2009), and the ability of foreign companies to hold majority stakes in GCC companies (Carey and Mahdi 2010). These are all factors that have obstructed the development of the EU-GCC relationship. They, however, are a result of the influence of different types of considerations. Elaborating on these allows a deeper analysis and a better appreciation of the different kinds of obstacles in the EU-GCC relationship: the different nature of the organizations institutionally, diverging interests, and (at times) conflicting values/norms.

Firstly, the very different nature of the two organizations has impeded EU-GCC relations. While the EU is an entity with supranational powers, the GCC is an intergovernmental institution (Luciani and Schumacher 2004: 12-19 for more

1. Inclusion of this clause became a standard EU practice from mid-1995. It makes economic cooperation agreements conditional on the acceptance (and implementation) of improvements in third countries’ human rights situation. For more details cf. Smith, 2008.

details). In the context of the FTA negotiations, this has delayed the ability to conclude the contract. A pre-condition of the EU's 1991 negotiating mandate was the achievement of a GCC customs union as this would prevent trade diversion from the GCC countries with higher customs rates to GCC countries with lower ones (Escribano-Fraces 2005: 10). Crucially, the EU had this pre-condition because for decades the supranational European Commission had conducted international trade negotiations under the member states' mandate. Given the GCC's less advanced integration, they needed time to address this pre-condition. On the positive side, following the GCC's commitment to establish a customs union, the EU adopted a broader mandate for the FTA adding trade in services, government procurement, and intellectual property rights (Escribano-Fraces 2005: 11).

Secondly, disagreements over petrochemicals or foreign companies' ability to hold majority stakes in GCC companies are a result of conflicting interests as they are perceived/manifested by each partner. Due to structural realities or existing formal arrangements, the parties found it difficult to agree on some of the FTA's terms as meeting the requirements of the other side would have been politically costly. Although it can be argued that ultimately such disagreements are a manifestation of different values/norms, at the core of these controversies lay protection of certain material interests. This is what distinguishes them from the third type of impediments to a closer EU-GCC relationship, divergent values/norms. This third obstacle is best exemplified by the disagreements over the EU carbon tax or the inclusion of the HRC. Disputes over these issues are at least partially a result and manifestation of the different values held by the EU and the GCC. In contrast to controversies caused by material interests, adherence to issues based on considerations prompted above all by values/norms may (at least at times) lead to the parties' or sections of the parties' societies in fact incurring material losses. For example, the GCC's opposition to the inclusion of the HRC, despite EU's traditional reluctance to resort to punitive measures in its external relations, has contributed to preventing the GCC from attaining better market access in the EU for its products.

Similarly, the EU's imposition of the carbon tax increased further the financial burden on Union taxpayers on a commodity that is already heavily taxed within the EU. These disagreements clearly demonstrate that at the forefront of the parties' external conduct are considerations, such as the environment, protection/promotion of human rights, or manifestation of political independence. For example, environmentalism and human rights protection are at the core of what the EU has stood for internationally. These are issues central to EU's identity. In line with the broad understanding of institutions, then, it is not surprising that the EU and the GCC have found it difficult to reach an agreement on issues perceived as related to their fundamental values/norms.

The EU and the GCC have held numerous discussions aimed at bridging existing gaps and in many respects, they have succeeded. According to practitioners involved in the FTA negotiations, there is one outstanding trade issue – export duties and the parties were converging on a way of incorporating the HRC in a mutually acceptable way (author’s interviews, April and May-June 2011, Brussels and Riyadh, respectively). Nevertheless, the negotiations were suspended at the end of 2008. The actual cause aside – according to some it was due to human rights and democracy disagreement (Reuters, 2008) – arguably of greater long-term importance will be the fact that, as some have reasoned, the suspension’s timing was a manifestation of the increased Gulf influence due to the financial and economic crisis in Europe (Colombo and Committeri 2013: 7-8).² Thus, it will be interesting to analyze future amendments to the FTA if/ when the agreement is concluded. According to a European Commission website, despite the negotiation’s formal suspension, FTA discussions with the GCC are ongoing. The stated aim remains to conclude the agreement as soon as possible (2013: 10).

Arguably, a positive outcome of the negotiations is their pioneering character. According to Sreekumar, “If signed, the free trade agreement would be the first of its kind between two political and economic blocs” (2009). As with all novel endeavors, the learning curve would have been steep. Therefore, some of the lessons learned would have paved the way for similar interactions between other regional organizations. Nevertheless, now the EU has FTAs with other regional blocs (in Latin America) that have already entered into force (European Commission 2013). This can be interpreted as the EU-GCC having lost their leadership position in this novel type of negotiations.

Political/security dialogue is the second type of issue dealt with in EU-GCC relations. It originates in the Joint Council meetings’ discussions. Given that this dialogue was not envisaged in the CA (Baabood 2006: 33), it is a positive development, a by-product of establishing the connections between the two blocs. Some analysts have even maintained that the EU-GCC relations’ progress until mid-2000s has “remained limited to the political domain” (Escribano-Fraces 2005: 11). This statement, however, is misleading as the results of the dialogue, beyond the opportunities for political/security views-exchange, have been very few. As Escribano-Fraces himself states: “economic issues and cultural exchanges lagged well behind political *declarations*” (2005: 11, emphasis added).

2. The reason for the suspension was a feeling within the GCC that they were continuously being asked to make concessions, and given their rising status in the Middle East and beyond, it was felt that a signal needed to be sent to the EU to begin to take the GCC as an equal partner in negotiations more seriously and for the EU to drop its patronizing attitude as being the more developed and thus better institution.

The first major aspect of a EU-GCC political/security dialogue is the points discussed at the Joint Cooperation Councils and Ministerial Meetings. As their communiqués show, every year the EU and the GCC discuss questions with relevance to regional (Gulf) and global security (i.e., the Palestinian-Israeli conflict, the Iranian nuclear issue, or the war in Iraq³ and its aftermath). Although the communiqués consistently reiterate the parties' common views on many of the issues, little of substance has come out of them.⁴ There are several reasons for this, which taken together create an important structural obstacle for the establishment of a closer EU-GCC relationship.⁵

Firstly, institutionally the EU is not equipped for performing independently and decisively as a security actor. Thus, secondly, the United States' (US) leadership has remained mandatory for achieving real breakthroughs on the issues discussed in the communiqués (i.e., the Middle East peace process). Thirdly, despite the significant military capabilities of some EU member states (France, the UK), the US has remained the Arab Gulf countries' primary and most capable security guarantor.⁶ Given that the GCC states are located in an unstable but wealthy region and that they are exposed to strategic vulnerabilities (i.e., small populations), a traditional preoccupation of their foreign policies has been ensuring outside powers' stake in their survival. The EU's inability to provide security guarantees to the GCC has been a crucial obstacle to the better development of the relationship.⁷ Consequently, despite the many common political/security interests, the EU-GCC relationship has not provided any decisive leadership or achieved a substantial breakthrough. Hence, until the late 2000s, there was a mismatch between the parties' interests and capabilities in external political/security matters. Furthermore, as Nonneman points out, the declared concurrence on political/security issues covers questions external to the EU/GCC (2006: 19).

Arguably, the second major aspect of EU-GCC political relations is the so-called 'decentralized track' of cooperation. It originated in the 1995 EU-GCC Granada meeting. Scholars consistently describe this meeting as a turning point

3. Luciani and Schumacher (2004: 36-9) express succinctly the main issues discussed at the I-XIII Meetings. There has not been a substantial trends-change since 2003.
4. One notable exception was the EU's approach to dealing with Iranian nuclear pursuits. In the early 2000s, it was yielding encouraging results.
5. The lack of leadership for greater Gulf engagement by an EU member state has been another important structural obstacle, which has led to persistence of bilateralism in EU's relations with the region. For more details, see Echagüe (2007: 5-6); Luciani and Schumacher (2004: 6-11).
6. For more details on the EU's Gulf involvement, cf Aliboni (2006) or Echagüe (2007: 1-2).
7. It should be emphasized that the EU was not designed to be a strong security actor externally. Furthermore, its current external conduct shows a lack of ambition to develop overwhelming military capabilities.

in the relationship (Saleh 1999: 60; Fürtig 2004: 31; Baabood 2005: 166). Among other decisions, it was agreed to add ‘decentralized’, horizontal cooperation to the EU-GCC interactions. The aim was to increase non-governmental contacts (between civil societies and non-governmental organizations). Undertakings were to be co-financed, with each side covering its costs. Decentralized cooperation was initiated in the areas of business, media and universities/higher education. In each, initial expert workshops identified possible projects for a three-year pilot phase. The first project was a university one, aimed at expanding Gulf studies in Europe and European Studies in the Gulf (Baabood 2005: 167). All areas, however, failed to make significant headway by 2002 when the EU decided to focus on the FTA (Nonneman 2006: 62). According to a GCC practitioner, the decentralized track was eventually stopped due to a European Commission internal review investigating financial mishandling in relations with other Union partners (author’s interview, June 4, 2011, Riyadh).

Despite its unimpressive record, this was an important attempt to diversify the scope of EU-GCC relations. It had the potential to reach wider sections of the societies because it required engagements beyond the formal levels. Therefore, arguably it was a positive development. As Echagüe states, the decentralized track: “formed part of the EU’s focus on civil society engagement” (2007: 2). It was modeled after a practice established under the Barcelona process (European Commission 1995: 8). There it belonged to the so-called ‘third basket’ comprising social, cultural and human partnership, aimed at “promoting understanding and intercultural dialogue between cultures, religions and people, and facilitating exchanges between civil society and ordinary citizens, particularly women and young people” (EEAS n.d.). However, in the Arab Gulf the space for association outside of the state is still very limited. For example, although in the 2000s in Saudi Arabia, the most influential (and admittedly the most conservative) GCC member, greater space for societal debate and dialogue has opened up, the state still “controls the seeds of potential civil society and independent mobilization” (Al Rasheed 2010: 250). Taking this into account and given that progress on the decentralized track would have required civil society engagement, it becomes clear why this cooperation route had political aspects.

Other aspects of this track, however, have been more successful. According to a Saudi analyst, decentralized cooperation has resulted in undertakings, such as the EU starting to organize conferences bringing together Gulf scholars or in bilateral business exchanges between Chambers of Commerce (author’s interview, June 2, 2011, Riyadh). This type of interaction is the bulk of the third category of EU-GCC relations, cooperation on pragmatic issues. Elsewhere, cooperation on pragmatic issues has been defined as covering areas such as trade, investment, economic and

monetary affairs, environment, energy, technology transfer, education and scientific research (Kostadinova 2013: 213).

For example, given the growing interest in research and investment in renewable energy and GCC countries' natural endowment with solar energy, at the end of 2009 an EU-GCC project to establish a clean energy network was launched.⁸ It was a first step in developing formalized EU-GCC relations in the green energy field (Bauer, Henelt and Koch 2010: 7). The EU's know-how means that the proposed network has the potential to also address other pragmatic cooperation fields (i.e., technology transfer). Also in the 2000s, when the GCC seemed set on achieving a currency union by 2010, the European Central Bank (ECB) helped through organizing workshops and generally sharing its experience (author's interview, June 5, 2011, Riyadh). According to the Memorandum of Understanding signed between EU and the GCC Chambers of Commerce, a regular exchange of information between them is to take place. Furthermore, it envisages the joint organization of business meetings and an annual meeting between the two Chambers' senior executives (Eurochambers 2007). In 2008, the two Chambers launched another joint project, expected to contribute to the intensification of the relations by providing GCC Chamber managers with a better understanding of EU policies and services (Eurochambers 2008). Such initiatives are a crucial component of the EU-GCC relationship's long-term successful development; a positive trend, which contributes to building bridges between EU and GCC societies. They can achieve (some of) the decentralized track's stated aims.

This section discussed the strengths and weaknesses of EU-GCC relations between the 1980s and the late 2000s. Achieving tangible results on the most visible and symbolic issues (i.e., concluding a FTA, breakthroughs on regional/global security matters) has been elusive. Institutional mismatches, structural realities, and divergent interests or values/norms are the major reasons for this state of play. Nevertheless, the relationship has charted new grounds in international trade negotiations and has engaged with low level (politically) interactions in multiple fields. Both constitute important strengths for the relationship. Moreover, in the long run the latter can facilitate better mutual understanding. Furthermore, it can establish a strong basis on which to build more visible political or symbolic achievements, especially if a significant shift occurs in the factor/s presently holding the relationship back. Many of these patterns are also evident in the most recent developments in the relationship.

8. The project had the objective to suggest ways to permanently establish such a network at the end of its project period. The project period ended June 2013 and relevant suggestions will be made to both sides on how best to proceed. I am grateful to Christian Koch for this information on the clean energy network.

EU-GCC Relationship since 2010 – Recent Events and Prospective Future Options

Since officially FTA negotiations are suspended, in this section, this paper will elaborate on the other two aspects of the EU-GCC relationship – political/security interactions and cooperation on pragmatic issues.

Cooperation on pragmatic issues has continued to establish low-level EU-GCC contacts. Among the recent EU and GCC Chambers of Commerce activities are the study of small and medium enterprises (SMEs) in the Arab Gulf (see Eurochambres 2010 for more details) and the 2012 launch of a project on stimulating policy debate on foreign direct investments (see Eurochambres 2012 for more details). The EU-GCC Clean Energy Network held a meeting on the sidelines of the 18th session of the UN Climate Change Convention (Kazim 2012), while investment seminars in GCC countries and the EU were planned for the first quarter of 2013 (Estimo 2013). Another pragmatic cooperation instance was the launch of the EEAS-GCC Secretariat General diplomatic secondment program in 2012. Its pilot phase proved very successful which encouraged both sides to develop it into a two-way internship (author's email interview, March 2013).

The EU-GCC relationship's formal aspect was stimulated in 2010 with the adoption of the Joint Action Programme (JAP). It is a bilateral cooperation roadmap covering 14 areas ranging from economic, financial and trade cooperation to combating money-laundering and tourism.⁹ The JAP is implemented through regular expert meetings and specialized workshops (author's email interview, March 2013). Thus, it formalized the pattern established with the cooperation on pragmatic issues. Furthermore, it added another layer to the relationship, besides the Joint Council meetings.

According to a high-ranking GCC official, JAP has proven to be a useful instrument in enhancing EU-GCC relations, contributing greatly to reactivating cooperation in several sectors. For example, some meetings and workshops are held regularly, allowing exchange of experiences and expertise. Some have even led to the creation of specific cooperation structures, such as the EU-GCC clean energy network, and the INCONET-GCC (the Science and Technology International Cooperation Network). Therefore, the JAP has been a tool for translating the EU-GCC relationship's potential into concrete actions (author's email interview, March 2013).

9. Joint Action Programme for Implementation of the GCC-EU Cooperation Agreement of 1988 (2010-2013), available at http://eeas.europa.eu/gulf_cooperation/docs/joint_action_programme_en.pdf, accessed on April 2, 2013 for more details.

Nevertheless, some EU articulations indicate possibly (at least at some point in time) diverging views on the most appropriate way for the conduct of the relationship. Firstly, the GCC has suggested summits as the interactions' format, a suggestion a high-ranking EU official did not accept as needed. Secondly, apparently there was/had been a perception within the GCC that the FTA negotiations difficulties had led to the JAP. Instead, the EU official's position is that the Union only has such a JAP with the partners it sees potential in. Thus, for the EU, the JAP can facilitate deepening EU-GCC relations and add new areas of cooperation, such as civil protection (author's interview, February 24, 2013, Riyadh).

This discrepancy indicates an EU misperception of its counterparts' opinions or a divergence of views over the best way for the relationship's conduct. If the latter, it may be due to different political cultures. In the GCC countries' centralized systems, it would make sense to hold summits as this is conducive to implementation. However, the EU is experienced in conducting decentralized relations. Whatever the cause,¹⁰ managing this discrepancy carefully is advisable to avoid it becoming an obstacle for the relationship. Despite this indication of potentially different takes on JAP, negotiations for its extension until 2016 are under way.

A recent round of bilateral economic cooperation talks took place in late March 2013. The discussions highlighted a trade controversy related to the EU's decision to end the system of Generalized System of Preferences (GSP) for the GCC starting from January 2014. This will lead to taxing GCC's petrochemical imports into the Union. Currently, when deciding whether to lift the GSP, the EU only takes into account the GDP or per capita income. However, the GCC argues that the EU should consider more than one measurement. It called on the EU to continue its preferential trade dealing with the Council (Kuwait News Agency, 2013b). This debate continues previous disagreements over the regime for import into the EU of GCC's petrochemical products. The EU's decision to end GSP can pressure the GCC to conclude the FTA. Such pressure, however, will be mitigated by the growing GCC exports to the booming Asian markets.

The other major area of EU-GCC relations, political/security interactions, saw greater exchanges in the last few years. This is hardly surprising given the momentous changes in the greater Middle East triggered by the so-called Arab Spring. There is the potential that given the many uncertainties with which the entire Middle East finds itself confronted, closer EU-GCC cooperation can lead to a process of managing the Arab Spring's outcomes. Indeed, the EU and GCC member states' positions on crisis issues (Yemen, Libya or Syria) have concurred,

10. Presumably practitioners will know which of the two it is likely to be.

which has led to military and diplomatic interactions. For example, Qatar was the Arab country leading international action against the Qaddafi regime in Libya. It supported the rebels militarily, monetarily and logistically and sent fighter jets for the NATO-led military operation. Furthermore, Qatar acted as the interlocutor for the Arab League and the Arab states' favoring intervention, thus legitimating and facilitating Western military engagement in the conflict (Khatib 2013: 420-1). Diplomatically, the partnership between GCC members, especially Saudi Arabia and the West, including EU members, played a crucial role in negotiating Yemen President Ali Abdullah Saleh's peaceful step down from power (see Nonneman and Hill 2011 for more details). This cooperation continues, given the ongoing Yemeni transition process. Presently, some of the coordination is channeled through the recently-established GCC Office in Yemen and the EU's Sanaa Office (author's email interview, March 2013).

These interactions are coupled with more visits by top officials (i.e., Secretary-General/High Representative; Parliamentary Delegations, etc.) (author's email interview, March 2013), statements on EU-GCC relationship's growing importance (Kuwait News Agency 2012) and a recent decision to open the EU's second Gulf Delegation in the UAE (Kuwait News Agency 2013a). These high-level interactions indicate potential for closer EU-GCC political/security cooperation in the immediate future. If this is the relationship's future trajectory, it will be a result of EU's and GCC's desire for stability in Arab Spring countries alongside concurring economic interests.¹¹

Despite this resurgence of political/security interactions, at times both sides lack readiness to engage more (author's interview, February 24, 2013, Riyadh). 'Trivial' factors, such as lack of resources or established channels for engagement could be the cause. However, it can also be due to the two organizations' sometimes divergent long-term strategic goals (FRIDE and Brookings Doha Center 2013). As Balfour has pointed out, the EU's political preference for the outcome of the current Middle Eastern unrest is for transition to liberal democracy (2012: 27). Indeed, after initial hesitancy to support regime changes in Tunisia and Egypt, the EU and its member states have undertaken steps (i.e., the concept of promotion of 'deep democracy' or the idea of the European Endowment for Democracy) that at least rhetorically show support for the Arab Spring countries' democratic reforms (for more details and analysis cf European Union 2013; Youngs 2012; Youngs and Brudzinska

11. As an EU official put it, the EU should understand that the GCC is not against stability in the Arab Spring countries (author's interview, February 24, 2013, Riyadh). Echagüe's (2012) analysis of the West's role in Arab transitions notes the lack of evidence of a qualitative change from the old preference for stability through tacit support for autocrats.

2012). Because of persisting doubts about EU's underlying preferences, it is worth recalling the post-Communist East European experience. As Schimmelfenning has convincingly argued, regardless of Western 'objective' interests to deter Eastern EU/NATO expansion, this became impossible due to EC's rhetoric during the Cold War, which encouraged European unification (2003). Similar inescapable pressures may be exercised on the EU to back up its rhetoric with actions supporting democracy in Arab Spring countries. Such a direction of EU's future policies will exemplify the practical implementation of its professed values/norms.

This, however, will almost certainly set it on a collision course with GCC members. Their Libyan or Syrian policies have led to qualifying the initial simplified perception of GCC member states being counter-revolutionary (Koch 2011). However, it is also recognized that: "Naturally, these governments operate from the perspective of protecting their regimes and maintaining their rule and they judge the events in the Middle East from that context" (Koch 2011: 3). Responses to domestic grievances in the GCC member states have been mainly financial; political responses have been rather modest, which at best shows hesitance for greater political liberalization at home (see Hertog 2011 for more details and analysis).

In this context, and given the influence developments elsewhere in the Middle East can have in the GCC countries, EU support for democratic transitions is unlikely to be seen as desirable. In fact, Western suspicions about Gulf support for Islamist factions in the Arab Spring countries (cf Colombo et. al 2012: III; Lacroix 2012: 4; Echagüe 2012: 3 for some figures), can be seen as a manifestation of the EU's and GCC's divergent long-term strategic goals. These can open an important fault-line in their relationship, obstructing closer cooperation. A further contributing factor can be EU's traditional reluctance to deal with Islamists. Although this trend is somewhat reversed now that Islamist forces have come to power in Tunisia and Egypt, it has been an important guideline in European regional interactions, which will at best take time to overcome.

Basing the relationship on pragmatic interactions or disagreements over trade matters, notably petrochemicals, have been the important continuities in EU-GCC relations since 2010. Simultaneously, the Arab Spring has changed the context significantly and has prompted greater political/security cooperation. Crucially, in contrast to the previous period, notable interventions (i.e., Yemen) have taken place. Nevertheless, the potential of such instances to qualitatively upgrade the relationship must be qualified by the possible divergent long-term strategic preferences. If the pessimistic scenario materializes, to a great degree it will be caused by incompatible values/norms informing the actors' policy-conduct.

Conclusions and Policy Recommendations

The 1980s expectations that EU-GCC common economic interests would lead to the establishment of a close relationship have failed to materialize. More than 20 years of negotiations have not produced an FTA, and until recently political/security interactions were limited to statements. The paper identified institutional, structural, material, and normative reasons for this state of affairs. These constitute major obstacles in EU-GCC relations. Important positive developments in EU-GCC interactions were also identified, such as FTA negotiations leading the way in region-to-region cooperation or recent intensification of interactions on political/security issues. The latter, however, have ambiguous future prospects and may fail to qualitatively upgrade the relationship. The area of most persistent positive interactions is cooperation on pragmatic issues.

The major obstacles to EU-GCC relations are of a persistent nature, beyond the ability of individual actor/s to overcome them. Nevertheless, some specific policies may facilitate such an outcome. Elsewhere I have advocated socialization¹² as the route for improving EU-Saudi relations and have identified cooperation on pragmatic issues as the area with greatest potential (Kostadinova 2013). Given that EU-GCC pragmatic cooperation is well underway, the recommendation will be firstly, to utilize all possibilities for mutual secondments, twinning programs, technical cooperation or capacity-building in areas such as cross-border projects and implementation of GCC customs union. Furthermore, the EU's experience in regulatory or legal reforms and building standards and capacities is already employed (summed up on the basis of Echagüe 2007: 19-20). Such practices should continue.

Secondly, the GCC countries should explore the great potential for establishing Arabic language programs as a way of familiarizing more Europeans with the local culture, traditions and thinking – an integral part of language-learning and spending time abroad. This will also enable further improvement of GCC teachers' skills and will give GCC countries a chance to re-take the initiative in one aspect of the relationship, thus balancing the trend towards the GCC taking on board EU's experience in different areas. The current instability in many Arab countries increases the attractiveness for developing language skills in the Gulf. This can alleviate problems during the initial period of establishing the programs.

Socialization should also tap into the insufficiently explored potential for GCC technocrats to learn from EU's technical experience but from the policy point of

12. Understood as teaching/persuading others about the appropriateness of one's policies and the ideas/norms behind them (Schimmelfenning 2009: 8 for more details).

view, how the EU tackles certain problems. For example, how EU member states prepare to adopt a common position on a regional issue. Despite institutional differences, the GCC can use such experience in areas like services, finance or trade. Council technocrats will have authority to pursue/implement EU's good practice.¹³ Implementing such experience can in the long run bridge some of the EU-GCC gap in values/norms and can minimize somewhat the institutional differences between the organizations.

The FTA negotiations should be resumed and concluded as soon as possible. This will, firstly, have a great symbolic value. Secondly, it will most probably increase intra-regional trade, potentially triggering interactions in related fields.

Ongoing transformations, such as the European economic and financial crisis or the Arab Spring, will be the context within which the above-recommended policies will be carried out. As we have seen, some of these have already led to increased interactions (i.e., on political/security issues) or have the potential to facilitate greater EU-GCC cooperation (i.e., GCC's improved financial standing vis-à-vis the EU could facilitate the FTA's successful conclusion). However, given the uncertainty over these developments' long-term outcomes and their structural nature, a healthy dose of realism over what can be achieved in any efforts for strengthening EU-GCC relations is also strongly advisable.

13. A Saudi intellectual's suggestion during author's interview, February 22, 2013, Riyadh.

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