

Challenges for European Foreign Policy in 2015

How others deal with disorder



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FRIDE
A EUROPEAN
THINK TANK FOR GLOBAL ACTION

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Giovanni Grevi and Daniel Keohane (eds.)

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Abbreviations

AKP	Justice and Development Party
ASEAN	Association of Southeast Asian Nations
A2/AD	Anti-Access/Area Denial
BRICS	Brazil, Russia, India, China and South Africa
CSTO	Collective Security Treaty Organisation
EaP	Eastern Partnership
EU	European Union
GCC	Gulf Cooperation Council
HPG	People's Defence Forces
IBSA	India, Brazil, South Africa
IONS	Indian Ocean Naval Symposium
IORA	Indian Ocean Rim Association
IRGC	Iranian Revolutionary Guard Corps
IS	Islamic State
KRG	Kurdish Regional Government
MENA	Middle East and North Africa
NATO	North Atlantic Treaty Organisation
OIC	Organisation of Islamic Cooperation
OSCE	Organisation for Security and Cooperation in Europe
PCA	Partnership and Cooperation Agreement

PJAK	Party of Free Life of Kurdistan
PKK	Kurdistan Workers' Party
PLA	People's Liberation Army
PYD	Democratic Union Party
SCO	Shanghai Cooperation Organisation
TANAP	Trans-Anatolian Natural Gas Pipeline
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNSC	United Nations Security Council
US	United States
WTO	World Trade Organisation
YPG	People's Protection Units
YRK	East Kurdistan Defence Forces

Preface

Assessing the performance of and challenges to the foreign policy of the European Union (EU) cannot be de-linked from scrutiny of the state of the Union. And the EU is not doing well. Economic recovery is proving to be very slow, where it has not been reversed. After the alarming outcome of the European elections in 2014, social tensions risk producing political disruptions in some member states and more uncertainty at EU level. Awareness of the fact that no member state can insulate itself from the economic woes of others has not yet translated into a sufficiently ambitious joint response to high unemployment and low growth.

It has been abundantly stressed that the internal crisis has detracted attention and resources from foreign policy. The entrenchment of national interest on economic issues has inevitably spilled-over into foreign affairs, with key capitals taking matters in their own hands – often to little effect. Besides, as last year's FRIDE annual publication aptly showed, crises in the regions surrounding the EU have overtaken the capacity of Europeans to prevent them, and these carry substantial implications for the security and prosperity of Europe.

Brussels has turned a page, with a new European leadership taking office in late 2014 and showing keen awareness of the critical challenges ahead, at home and abroad. They will need to instil confidence and a sense of purpose to much diminished Brussels institutions, and work closely with member states while not taking directions from the largest ones. The question is whether Europe as a whole will be able to move forward, or face the prospect of slow decay.

Foreign policy will continue to test the resolve and consistency of Europeans. The year 2014 has seen a marked deterioration of Europe's security landscape, with a geopolitical rift between the EU and Russia opening in Eastern Ukraine and chaos spreading further in Libya, Syria, and Iraq. To the east, after some hesitations, Europeans have put up a common front and adopted credible sanctions towards Russia. However, these sanctions paper over different perceptions among EU member states and cannot replace, over time, a common strategic approach to Russia and Eastern Europe. To the south, Europeans seem to have largely reverted to an approach focused on containing threats and preserving stability. Countering the spread of the Islamic State (IS) is surely a priority, but there is a clear risk that such broader approach neglects the very root causes that led to the destabilisation of the Middle East in the first place – authoritarian governance and lack of economic opportunity.

In December 2013, the European Council invited 'the High Representative, in close cooperation with the Commission, to assess the impact of changes in the global environment, and to report to the Council in the course of 2015 on the challenges and opportunities arising for the Union, following consultations with the Member States'.

FRIDE's 2015 annual publication aims to provide a distinct contribution to this assessment by switching perspective and asking not how the EU deals with disorder but how others do, and what are the implications for Europe. The 'disorder management strategies' of

other powers are consequential for the EU and its member states since they help Europeans to define their options for dealing with crises and tensions and, therefore, their chances of success.

This publication addresses the shifting posture, concerns and priorities of nine major and smaller powers in an attempt to offer a spectrum of ‘coping strategies’ depending on different geopolitical settings and available resources. It reveals that the majority of the countries reviewed here feel increasingly exposed to challenges and threats, and are not clear as to how to deal with them. These uncomfortable powers have a predominantly regional focus and lack lasting solutions to their vulnerabilities. Their perceptions and interests may or may not be in line, or be compatible, with those of Europeans, which can generate further tensions.

There is no comfort in noting that Europe is not alone in facing a security environment that is becoming more complex and more uncertain. But the findings of FRIDE researchers and senior authors from other think tanks suggest that there is a need for patient leadership to help create, over time, the conditions for less mutually defeating approaches to security challenges. This will be a painstaking exercise, which will involve balancing often-competing priorities while taking a clear stance when basic values are at stake. Whether Europe will be able to express such leadership, and whether time to deploy it will not run out in critical theatres, are the big challenges for European foreign policy in 2015.

Pedro Solbes
President of FRIDE

Introduction

Giovanni Grevi

At no time since the end of the Cold War has the world been more prone to disorder and insecurity. This poses huge challenges for the European Union (EU) and its member states. Europe faces geopolitical confrontation with Russia to the east, a crumbling regional order to the south and growing tensions in East Asia. But Europe is not alone in feeling geopolitical stress. Many regional and global powers share vulnerability to spreading instability, and uncertainty about how to address it. The narrative of Europeans scrambling to find their way in a competitive multi-polar system while others, notably emerging powers, shrewdly pursue their objectives is misleading.

Uncomfortable powers and the paradox of assertiveness

This FRIDE annual publication looks at how a select range of powers perceive and manage disorder in the Middle East, Eurasia and East Asia. It finds that, despite often bold rhetoric and some daring moves, few if any of them are confident in their ability to manage threats to their security. In fact, to different extents and for different reasons, they all feel rather uncomfortable and exposed to geopolitical challenges and trans-national risks.

Conversely, none of these powers seems willing or able to offer lasting solutions to the problems they face. The capacity of the United States (US) and Europe to stabilise regional crises is still considerable in relative terms, but is often not used effectively (consider Libya or Syria) and is on the wane. The strategic focus of most other countries largely lies on their respective neighbourhoods, whether to contain regional threats (India and Turkey), assert primacy (Russia and China) or ensure regime survival (Saudi Arabia and Egypt).

The paradox is that uncomfortable powers often try to cope with tensions or instability by taking assertive steps that ultimately exacerbate their own and others' insecurity. Russia's annexation of Crimea in March 2014 and the role it has played since in Eastern Ukraine are a text-book case of this approach. But this paradox also applies to, for example, China's assertive moves in the East and South China Seas, engendering confrontation with other insecure regional powers. Yet another instance is the apparently audacious but ultimately self-defeating manoeuvrings of Saudi Arabia and Iran in an explosive Middle East. A world of uncomfortable powers is a dangerous one, because they tend to be reactive actors, with all the potential intended or unintended consequences that this entails.

Disorder management strategies

The principal architect of the international system – the US – is exploring a more selective and restrained approach to managing disorder. The ongoing 'rebalancing' of American strategic assets from Europe and the Middle East to the Asia-Pacific has been affected, but not stopped, by renewed turmoil in the first two regions. In any case, Washington's 'rebalancing' to the Pacific has never been about giving up US influence in Europe and the Middle East, but exercising it in more indirect and less demanding ways – such as greater diplomatic engagement, depending on (and helping build) the capacities of partners

and very targeted military involvement. However, there are serious doubts that this 'light footprint' will suffice to contain conflicts (and the instincts of friends and foes) in the Middle East. Simultaneously, the US is conscious of the need to strike a delicate balance between confrontation and engagement towards 'revisionist' competitors Russia and China. Both of them challenge American pre-eminence, but they are critical to managing key issues such as the Iranian and Afghan files and for the stability of Europe and Asia.

Beyond some tactical convergence, for example on energy deals, the strategic postures of Russia and China differ considerably. Russia responds to threats with the stark reassertion of its great power status. For the Kremlin, attack appears to be the best form of defence to counter what it sees as Western moves to weaken Russia. To this end, Moscow has deployed a complex strategy including military interventions, leveraging its influence in protracted conflicts, a mix of hard and soft power to keep neighbours in line, and regional integration initiatives. However, Russia appears to have few real friends and the pillars of its power, including a stuttering economy, are relatively weak.

China is in a stronger position and has so far shown more restraint than Russia. But in its own eastern neighbourhood China has grown more assertive, testing the resolve of its opponents in territorial disputes in the East and South China Seas and, indirectly, the will and capacity of the US to back them up. Beijing feels that time is on its side and resents what it perceives as a US-driven attempt to build networks and frameworks to contain it. China is, however, much less confident when it comes to defending its growing (energy and economic) interests in distant unstable regions such as the Middle East and Africa. While upholding the principle of non-intervention, it has actually long relied on Western power to keep crises there in check. In fact, Beijing worries that Western ability to perform this stabilising role in the Middle East and Africa is diminishing. Concerned with the spread of extremist networks in

its western regions, China may gradually step up its role to manage disorder, for example in Afghanistan and parts of Africa.

Like in the case of China, the immediate neighbourhood takes centre stage in India's threat perception. On top of its long-standing rivalry with Pakistan, India thinks China is trying to undermine its regional influence. India responds to these challenges with hard and soft power (from nuclear deterrence to aid to fragile neighbours). Delhi is also establishing security partnerships with a range of countries from Asia to Europe and the US. These are mainly directed at dealing with threats stemming from Pakistan, keeping China's power in check, and strengthening Delhi's hold on the Indian Ocean. India's economic and energy interests in the Middle East and Africa are growing rapidly. But while Delhi has long contributed to stability in Africa, mainly through United Nations (UN) peace-keeping operations, it has essentially outsourced the management of Middle Eastern disorder to the US and Europe.

Squeezed between China and Russia, Kazakhstan epitomises the dilemmas of a vulnerable middle power in a fiercely competitive environment. Kazakhstan suffers from the confrontation between Russia, the EU and the US, and feels the heat as the Kremlin tightens the screws on former Soviet republics. Kazakhstan has sought to respond to these and other challenges through a strategy of 'zero problems and many friends', diversifying its partnership portfolio to include Russia and China as well as the West in a permanent balancing act.

In an even tougher regional context, Saudi Arabia and Egypt are confronted by multiple threats to the survival of their respective regimes. Both Riyadh and Cairo leverage regional threats such as terrorism to legitimise their authoritarian rule at home and abroad. While broadly aligned, their approaches to mounting insecurity do not coincide. Under the military regime that seized power in 2013, Egypt has reverted to a foreign policy directed at preserving the regional status quo and pursuing its traditional role as mediator in the Israeli-

Palestinian conflict. While joining forces with Saudi Arabia and the United Arab Emirates (UAE) to counter extremist networks in Libya and Syria, Egypt does not favour the demise of the Assad regime. Saudi Arabia has taken a more assertive approach to regional turmoil in an attempt to contain the aftershocks of the Arab uprisings and to balance Iran, not least by supporting the Syrian opposition to pro-Iran Assad. Both countries consider the US to be a less dependable partner than before. They have therefore sought to build other partnerships, whether by setting up coalitions with other Sunni countries in the case of Saudi Arabia, or by increasingly relying on Saudi and Emirati financial support, while warming up to Russia, in the case of Egypt.

Turkey is surrounded by trouble to the north and to the south and takes a disjointed approach to the two regions – caution and restraint on the crisis in Ukraine and active engagement in the Middle East’s crises. Turkey is trying to play a balancing act towards Russia, protecting its economic and energy interests while seeking to contain Moscow’s clout in the Caucasus. Ankara has positioned itself as a leading supporter of the Arab uprisings and in particular of the Muslim Brotherhood, while opposing the Assad regime in Syria. This disjointed strategy has resulted in Turkey losing ground in both theatres. Russia challenges Turkey’s influence in their shared neighbourhood, while Ankara faces the antagonism of Saudi Arabia, Iran and Sisi’s Egypt in the Middle East.

Iran has extended its influence in destabilised Iraq and Syria. While countering the West, Turkey and Saudi Arabia in supporting the Assad regime, it is drawing geopolitical dividends from its *de facto* alignment with the US-led coalition against the Islamic State (IS). Tehran has shifted its posture from revolutionary power to leader of the Shia camp in the competition for regional hegemony with Riyadh. It has shown a degree of self-confidence in dealing with regional threats and carrying out nuclear negotiations with the P5+1. However, Iran remains vulnerable to reversals, and relations with some Kurdish organisations within and outside the country may grow tenser during 2015.

Implications for Europe

The picture emerging from this review of how other powers are managing disorder is sobering for Europeans. In many cases, the strategic focus of key powers is narrow and their posture adversarial. There is little appreciation that achieving real stability requires meaningful dialogue and joint efforts. And yet, none of the powers reviewed in this book, with the partial exception of China and perhaps Iran, feels more confident or secure than it did a few years ago. The limitations of a strategy of self-reliance and short-term gains are increasingly apparent. This will not translate into sustained cooperation to manage regional tensions or crises any time soon. The challenge is to incrementally create the conditions for a change of paradigm in respective regions, while preventing further destabilisation. During 2015, protecting European security will often require helping others improve theirs.

This FRIDE annual publication suggests that Europeans need to broaden their strategic horizon. In particular, they should frame their partnership with the US as a global endeavour to support international stability, from the EU's neighbourhood to East Asia. At the same time, both Brussels and Washington will need to devise creative approaches to dealing with pivotal countries that are both competitors and partners. Brussels will have to increasingly practice a 'segmented' foreign policy with a range of important countries: joining forces or offering support where interests are shared; accepting that sometimes there is little common ground; and taking firm stances to criticise or counter actions where interests diverge.

The crisis in Ukraine and its reverberations will remain the defining issue for European foreign policy in 2015. While responding firmly to further attempts to destabilise Ukraine, Brussels should seek to pursue cooperation with Moscow where interests converge, which may pave the way to re-starting a broader dialogue down the line, if there is

mutual interest. At the same time, the EU will have to seriously re-think its political approach to the eastern neighbourhood – an effort to which Turkey could usefully contribute.

In the Middle East, Europe has lost influence regarding not only Turkey but also countries like Saudi Arabia and Egypt. They have chosen their own ways to deal with disorder, and their records are very mixed, at best. The EU and its member states could play a useful role in lowering tensions around the intractable Syrian conflict and the broader conposition between Saudi Arabia and Iran. In particular, they could help sell a possible nuclear deal with Iran to highly sceptical neighbours. Building on progress on the visa liberalisation roadmap, Turkey may be interested in cooperating with the EU on the root causes of instability in its neighbourhood.

The EU should also promote and seize opportunities for cooperation with China and India on crises in the Middle East and Africa. The two Asian giants will be of little help regarding Russia, but are aware of the risks threatening their growing interests in these other unstable regions and have begun to step up their involvement, notably in Africa. A big question during 2015 (and beyond) will be whether China and India will seek to play a more tangible and constructive role in addressing the crises shaking the Middle East and whether this will offer scope for cooperation with Europe.

1. The United States: holding the fort

Luis Simón

The existing global order has been largely underwritten by the United States' (US) military and strategic pre-eminence. Moreover, the US is likely to remain the only global power for the foreseeable future. Its closest global peer competitors, China and Russia, are unable to project and sustain military power on a global scale and lack the power of attraction of the US. However, these powers do have the potential to disrupt the established international order in some of the world's key regions.

Fraying regional orders in Europe, the Middle East and East Asia

2014 has witnessed the emergence of a number of challenges to regional order in Europe, East Asia and the Middle East. In two of these regions, East Asia and (Eastern) Europe, the challenge has come from the intent of China and Russia to revise the regional order to reflect their rising power and geopolitical priorities. In the Middle East, America's less ambitious strategic approach has resulted in a security vacuum that is being filled by a reverberation of ethno-sectarian tensions and inter-state competition.

In East Asia, China's growing economic weight is translating into a process of rapid military modernisation and a more assertive foreign policy. In particular, Beijing's efforts to strengthen its nuclear deterrence and field more robust Anti-Access/ Area Denial (A2/AD) capabilities potentially pose a significant challenge to America's ability to sustain its military power in the Asia-Pacific over the medium term. In addition, Beijing is becoming more assertive in the pursuit of its interests in the East and South China seas, where it is engaged in territorial disputes with a number of allies and partners of the US.

In Eastern Europe, Russia's annexation of Crimea and ongoing meddling in Ukraine have undermined Europe's rules-based order. Moscow's efforts to restore a sphere of influence in Eastern Europe represent a direct threat to the security of a number of US partners in the region (including Ukraine, Georgia or Moldova) and have created strong suspicion amongst some of America's North Atlantic Treaty Organisation (NATO) allies, most notably the Baltic States, Poland and Romania.

In crafting its response to China's increasing assertiveness in East Asia and Russia's attempt to recreate a sphere of influence in Eastern Europe, the US must strike a difficult balance. On the one hand, Washington seeks to reassure its allies and partners in Europe and East Asia and preserve the established regional order. On the other hand, the US wants to avoid disproportionate measures that might lead to an escalation and derive into a situation of open political hostility with either Russia or China.

The US believes that some form of understanding with Russia and China is central to preserving stability in Europe and East Asia – but also important to advancing other global security objectives. Washington's Eurasian strategy over the past four decades has largely been predicated on encouraging some degree of geopolitical distance between Russia and China. Against the backdrop of successive

attempts at Sino-Russian strategic rapprochement, it seems that the most effective way for Washington to preserve its own diplomatic room of manoeuvre is maintaining some form of cooperation with both Moscow and Beijing.

The US-China relationship is central to the proper functioning of the global economy, whilst progress on a number of other global challenges is also premised upon cooperation with Beijing – as demonstrated by the November 2014 US-China agreement on curbing global emissions. Russia remains crucial for the success of any US-led efforts to limit the global spread of nuclear weapons. Moscow also remains an important diplomatic player in the Middle East (particularly for the crisis in Syria and the Iranian nuclear dossier) and shall prove key to stability in Central Asia, especially following the US military drawdown in Afghanistan. Last but not least, the US is well aware that some form of understanding of Russia will be important to ensure the long-term stability of the Arctic, an area of increasing geostrategic interest for Washington.

The collapse of regional order in the Middle East seems to be directly related to Washington's decision to adopt a less ambitious strategic approach towards the region. This can be traced back to the US military withdrawal from Iraq in 2010-11 – and can also be seen in Washington's reluctance to intervene militarily in Syria and restraint in committing many resources (including by excluding combat troops) to fighting the Islamic State (IS) in Iraq and Syria. The strategic vacuum resulting from this US 'retreat' from the Middle East has created a process of growing geopolitical competition in the region.

The advance of IS in Iraq and Syria has aggravated existing tensions between Sunni and Shia Muslims – and has reinvigorated calls for Kurdish autonomy. Ethno-sectarian cleavages are partly responsible for the wave of political instability that besets the Middle East, but such cleavages should not be isolated from changing patterns of regional

inter-state competition – for the latter largely delineate the strategic and political parameters within which the former operate. Critically, the geostrategic expansion of Iran, Saudi Arabia and Turkey – and their competition for influence via proxies – are (re)defining the region’s evolving geopolitical parameters and ethno-sectarian fault lines.

Between ‘reassurance’ and ‘de-escalation’?

In Eastern Europe, the US has joined forces with its European allies to ramp up political pressure on Russia. On the diplomatic front, the US and the EU have adopted (relatively) ambitious sanctions against Russia’s political leadership and economy. On the military front, the US and NATO have taken a number of measures aimed at reassuring Central and Eastern European allies, including efforts to increase the Alliance’s readiness for Eastern European contingencies, the deployment of small US Army rotations to the Baltic States and Poland, an increase in the presence of US and allied air and naval assets in the Baltic and Black Sea areas, and a higher tempo of allied exercises in Central and Eastern Europe.

The ‘post-Crimea’ measures adopted by the US and NATO could signal that the two-decades long process of US force reductions in Europe may have reached rock bottom. However, a (significant) reintroduction of US military assets into the European theatre of operations is unlikely in the short term, partly because of defence budgetary constraints and ongoing commitments elsewhere. Plus, the US wants to avoid a serious diplomatic and military escalation with Russia.

In East Asia, the US remains intent on reaffirming its commitment to regional security. The Obama administration insists that its Asian ‘rebalance’ is not directly aimed at containing China, but rather to help preserve regional stability at a time of mounting potential tensions.

Indeed, much of the public emphasis is placed on the diplomatic and economic aspects of the Asian ‘rebalance’. Over the last year, the US has redoubled its diplomatic efforts to push through the Trans-Pacific Partnership (a regional free trade agreement), and has sought to shore up its bilateral Asia-Pacific alliances (particularly Japan, Australia, and the Philippines), while strengthening its security ties to other countries like Vietnam, Indonesia or India.

Defence budget cuts are beginning to have a negative impact upon Washington’s overall force readiness – and the ongoing crises in Iraq-Syria and Ukraine have led the Pentagon to shift its immediate focus to the Middle East and Eastern Europe. However, the military-strategic aspects of the US ‘rebalance’ to Asia have not been put on the backburner. The Pentagon continues to devote more resources to developing concepts and technologies that will strengthen its worldwide operational flexibility, such as ‘Conventional Global Prompt Strike’, directed energy weaponry, or missile defence systems. While many of these concepts and capabilities are not necessarily aimed at China, they would all contribute to overcoming Beijing’s A2/AD investments – and thus bear an important Asia-Pacific component.

The ‘shale gas revolution’ promises to make the US energy self-sufficient – and that might increase Washington’s diplomatic options in the Middle East. However, America is unlikely to turn its back on that region. Instability in the Middle East can have very detrimental effects upon the global economy and harm the security of some key Asian allies (notably Japan and South Korea). Moreover, the US is committed to the security of Israel and other regional allies, and maintains an important military presence in the Persian Gulf. Even so, the combination of fatigue caused by the long military engagements in Iraq and Afghanistan, a growing emphasis on economic recovery at home, and the economic and strategic rise of China and Asia are spearheading a ‘rebalance’ of US global priorities towards the domestic and Asia-Pacific ‘fronts’. This partly explains Washington’s decision

to lower its strategic and political ambitions in the Middle East, as outlined by President Obama at the United Nations General Assembly in September 2014.

The key question for the US's strategy towards the increasingly unstable Middle East is how to maximise its influence with fewer strategic resources. Against this backdrop, the US is developing a more indirect approach to regional influence, one that eschews long-lasting military engagements and direct forms of political control and emphasises the role of diplomacy, intelligence, surveillance and developing the defence and security capabilities of regional allies. In those cases where direct military action is required, the US is prioritising 'surgical' forms of intervention, i.e. precision strikes, Special Forces, cyber-attacks.

Finally, President Obama's decision to withdraw all US forces from Afghanistan after 2016 might have negative consequences for Washington's influence in continental Eurasia. Since 2001, the sizeable military presence in Afghanistan has given the US the means to exercise sustained political influence in that country, and provided it with a base to operate in Pakistan while developing basing arrangements and security partnerships with Central Asian countries. Although the US remains intent on maintaining close security links with Afghanistan, Pakistan and the Central Asian republics, it will be increasingly challenging for Washington to project influence over those countries with a non-existent or limited military presence in the area.

Implications for Europe

As the world becomes increasingly unstable and the US adopts a more prudent strategic approach – with a strong eye on Asia-Pacific geopolitics – the notion that Europeans should concentrate on mitigating disorder in their immediate neighbourhood seems to be gaining traction. The

fact that 2014 has witnessed a reverberation of instability in the Middle East and Eastern Europe would seem to reinforce such a view. Indeed, it is imperative that Europeans devote greater resources to defence, and take on a greater security burden in their neighbourhood, including in Eastern Europe and the Middle East. However, if the global order is to survive it is necessary that Europeans conceive of the transatlantic relationship as a global endeavour and not as an *ad hoc* transactional partnership.

In a world increasingly characterised by the rise of Asia (especially China), alongside the multiplication of economic powerhouses across the world, Europeans should develop a more global approach towards security. The idea that the security of global trade and communications corridors and the stability of Asia are core European strategic interests is slowly gaining traction. But it is important that this narrative sinks in. The economic and concomitant strategic rise of Asian powers means that geo-political dynamics emanating from Asia will have a growing impact upon Europe and different parts of the European neighbourhood, including the Middle East, Africa or the Arctic.

The Western liberal order cannot survive in Europe unless it survives globally. This means that the US ‘rebalance’ to Asia is in Europe’s interest. But it also means that Europeans must think harder about how to contribute to managing risks and upholding security in the Asia-Pacific region. This will necessitate greater transatlantic coordination, and a greater effort on the part of Europe’s main powers to engage with key US regional allies. The European Union (EU), for its part, should further extend its economic and diplomatic presence in the Asia-Pacific and upgrade its engagement with different regional partners and organisations (such as the Association of Southeast Asian Nations – ASEAN) to help downplay possible tensions.

2. Russia: Europe's revisionist power

Neil Melvin

The crisis in Ukraine has transformed perceptions of European security in a way that no other single event has done since the collapse of the Soviet Union. In Russia, the crisis has served as the catalyst for a reordering of security priorities. Moscow now identifies the Euro-Atlantic community as Russia's central strategic challenge, to be met by firm, even military, actions across the range of its foreign and security policies, as the 2014 annexation of Crimea demonstrated.

The Russian leadership views the United States (US), in particular, as a threat to national security – the result, in Moscow's assessment, of Washington repeatedly ignoring and breaking the framework of international rules. Violent instabilities within Russia's neighbourhood are seen as the result of interference by the US and the European Union (EU). Washington's support for 'regime' change (for example in Iraq, Libya and, in Moscow's assessment, Ukraine) is an area of particular concern. The international challenge of violent Islamism is increasingly attributed to US interference and failures in the Middle East.

Russia has moved from cautious cooperation with the Euro-Atlantic community to seeking to challenge the US and the EU, while calling for a new order to replace the international liberal one – with Russia as a central player. For President Putin, as he told the Valdai

Club in October 2014, at this ‘historic turning point’ either there will be ‘New Rules or a Game without Rules’.

Reasserting Russia’s great power role

Russia sees itself as increasingly surrounded by threats and challenges to its interests, notably its historical predominance in the post-Soviet space. Its reaction consists of an expansive definition of those interests and an overt attempt to re-assert Russia’s position. The US and Europe are regarded as the principal ‘challengers’ intent on undermining Moscow’s influence. While opposing them, Russia is seeking to redefine its long ambivalent relations with China, seen by some in Russia as an alternative to engagement with the West. In the Middle East, Moscow is seeking to hold its ground in Syria and counter the further spread of extremist groups in the region and into Central Asia.

With the conflict in Ukraine, Eastern Europe has become a defining security region for Russia. In 2013, Moscow saw the EU’s Eastern Partnership, notably with regard to Ukraine (viewed in Moscow as central to its integrationist policies), as an effort to undermine Russia and advance Western interests. This perception reflected a progressive mutual estrangement between Russia and the West in recent years.

The late 2013 decision of the then Ukrainian president, Viktor Yanukovich, to reject an Association Agreement with the EU and opt for an alternative package deal offered by Moscow triggered widespread unrest in the country. When the Ukraine crisis led to the near breakdown of the Ukrainian state during the first quarter of 2014, as Putin explained in his December 2014 address to the Russian Federal Assembly, Russia saw this as part of a pattern of US-led interference and ‘containment’, with the ultimate aim of achieving regime change in Moscow and even destroying Russia ‘through support for separatism’. The Putin regime has, thus, presented the annexation of Crimea and the

‘protection’ of the insurgent groups in eastern Ukraine as a defensive action to protect Russia from external threats.

While the immediate aim of drawing Ukraine into the Moscow-led Eurasian Union has disintegrated with the annexation of Crimea and Russia’s role in the conflict in eastern Ukraine, blocking Ukrainian integration into the Euro-Atlantic community is a priority. The protracted conflict in eastern Ukraine provides Russia with powerful leverage to prevent Ukraine turning west, and places pressure on other countries (Georgia and Moldova) seeking integration into the Euro-Atlantic community.

Following the Russia-Georgia war of 2008, Russia has taken a central role in shaping the dynamics of the protracted conflicts in the Caucasus. These conflicts have been a particularly effective tool, notably undercutting Georgia’s Euro-Atlantic shift. The Kremlin has signalled that it is ready to consolidate its influence over the protracted conflicts to achieve its political aims – possible territorial annexation (South Ossetia), increased administrative and security control (Abkhazia) and bilateral engagement outside multilateral formats – the Organisation for Security and Cooperation in Europe (OSCE) Minsk Process on Karabakh. Armenia is central to Russia’s position in the region. Moscow’s security assistance is vital to Yerevan’s ability to prevent Azerbaijan retaking the contested region of Karabakh by force. In 2013, Russia upgraded its military base in Armenia. Russia has begun to follow a divide and rule policy in the region, for example by indicating a willingness to sell arms to Azerbaijan unless Armenia rejected an Association Agreement with the EU in 2013.

With the drawdown of Western forces from Afghanistan, Russia has assumed a central security role in Central Asia. Moscow has concluded military basing agreements in Kyrgyzstan and Tajikistan, coupled with large deals on arms transfers, and has promoted the Collective Security Treaty Organisation (CSTO) in the region. Putin

has raised the prospect of further territorial revisions to ‘protect’ the Russian diaspora in its neighbourhood (notably in Kazakhstan where a quarter of the population are ethnic Russians), putting pressure on the region’s authorities to support Russian integrationist initiatives.

Beyond Central Asia, Moscow is seeking its own pivot to the Asia-Pacific region, as the main future market for Russian resource exports (especially energy). The Kremlin’s focus on Asia further sharpened during the Ukraine crisis, with China looked to as a strategic partner to balance the United States and its allies in a more multi-polar world. The relationship has been cemented by significant energy supply deals to China. Although Russia and China have increasingly teamed up, the relationship is not without competition, given Beijing’s ambitious New Silk Road project to link China to Europe through Central Asia, and Russia’s Eurasian/Customs Union. Marrying these two initiatives will need to be prioritised to avoid future frictions. The relationship with China has increasingly acquired strategic importance for Russia, but practical cooperation beyond the Shanghai Cooperation Organisation has remained largely *ad hoc* and informal.

While Russia’s position in the Middle East has declined considerably from the Soviet era, Moscow’s strategic relationship with Syria and leading role on the Iranian nuclear file (as a permanent member of the United Nations Security Council – UNSC) have provided significant leverage. This leverage has been employed primarily to challenge Euro-Atlantic ‘interference’, as Russia has little to bring bilaterally to a Middle East shaken by the Arab spring and its aftermath.

Russia has looked pragmatically at the emergence of new multilateral groupings beyond the US-dominated liberal order, notably the BRICS format (Brazil, Russia, India, China and South Africa) and the G20. But Russia’s relatively weak economy and the divergent interests in these groupings have prevented Moscow from taking a leading role.

The Putin doctrine

In the decade following the collapse of the Soviet Union, the Russian Federation began a process of rebuilding its international position. The pillars of this project were the assets inherited from the Soviet Union: the permanent seat on the UNSC, Soviet strategic nuclear forces, a pre-eminent role in the post-Soviet space, and key former Soviet allies (notably Syria). Russians argue that together these elements make Russia a great power, and subsequent Russian policy has focused on protecting these core interests.

Russia welcomed the post-9/11 US ‘Global War on Terror’ as indicating a shared view of the main international security challenges. Russia sought to take its place alongside the US as a guardian of international order, responsible for its own areas of interest – notably the former Soviet Union. As the US-led security agenda expanded into state-building and democracy promotion, including through regime change, Moscow grew uneasy about Western interventions without UNSC agreement (Kosovo and Iraq). North Atlantic Treaty Organisation (NATO) and EU enlargement to former Warsaw Pact states, and even some former Soviet republics, was viewed by the Russian leadership as confirming that the promise of cooperative security was little more than a thinly veiled agenda for the expansion of the Euro-Atlantic community at Russia’s expense.

Upon his return to the presidency in 2012, President Putin launched a set of initiatives designed to consolidate and extend Russia’s capabilities as a country independent of the Euro-Atlantic community. Renewing the Russian military became a priority. Equally, a new impetus to the integration of Russia’s neighbourhood through the Customs Union, Eurasian Union and CSTO became top of Putin’s agenda. In Russia, these initiatives are presented as stabilising Eurasia (around the Russian core) and providing a means to lift the region economically and enhance security.

Integration policies have been reinforced with a set of carrots and sticks, notably the use of energy policy, selling Russian armaments and 'soft' power (i.e. the media, and support for pro-Russian groups, among others), alongside traditional security policy. Strong resource exports provided the finance to rebuild its military, and Moscow plans to spend \$500 billion on new armaments by 2020. The focus of military modernisation is to provide Russia with a new generation of weapons to counter NATO, as well as capabilities for expeditionary warfare (including asymmetric warfare) in its neighbourhood. Nullifying the prospect of pro-democracy revolutions has become a key part of Russia's neighbourhood strategy and heavily informed the response to the 2013-14 Maidan protests in Ukraine.

Through the annexation of Crimea and the war in Ukraine, Russia demonstrated that it is prepared to use force (already partially demonstrated with the 2008 war with Georgia), with softer integrationist policies now operating in support of the harder line. Thus, in place of the post-Soviet status quo as the basis for European security, Russia has become, at least in part, a revisionist power, acting militarily to create a regional order to suit its purposes.

Implications for Europe

Relations between the EU and Russia are at a crossroads. During 2015, both Moscow and Brussels will have to determine whether confrontation escalates, and possibly spreads into other regions, or whether a new accommodation can be negotiated. The tremors caused by the events in Ukraine risk spreading, while the epicentre of the crisis in Ukraine is likely to remain unstable with the potential to drag Russia and the Euro-Atlantic community into further confrontation. Emboldened by its successes in Ukraine, the Kremlin is likely to continue to try to draw its neighbours more closely into its orbit, extend its influence into the Western Balkans, and try to divide EU member states.

At the global level, Russia will try to leverage its strengths: its United Nations Security Council seat; partnership with China and others keen to contain the US; and its pivotal role and allies in Eurasia. The central narrative will be a disordered world as the result of US hegemony and a failure of the Euro-Atlantic community to accept the reality of multi-polarity, with Russia as a leading player.

Russia is, however, more vulnerable than its assertive rhetoric would suggest. Declining energy prices, Western sanctions, plus the costs of supporting the motley group of protracted conflicts and annexed territories will put added strains on Russia's already overstretched budget, threatening recession in 2015. A slowing economy, and perhaps even a full financial crisis, will place new constraints on Russia's ability to challenge the Euro-Atlantic community. In addition, Russian integration plans may be tested, as its neighbours grow fearful about Russia's political ambitions.

Relations with Russia and the eastern neighbours represent a defining issue for the EU in its efforts to forge a shared European foreign policy. If the EU is to act strategically in its eastern neighbourhood in 2015, it will need to agree a policy to manage Moscow. This will require EU member states to find consensus on a political position that recognises Russia as a geo-political challenge, while pursuing cooperation where it is in Europe's interest (Iran, anti-terrorism). Even if Russian 'hard' power is checked by economic weakness, Russia 'soft' power tools – links to the Russian-speaking minority communities in its neighbourhood, Moscow's pre-eminent role in the Eurasian media space, and continuing efforts to develop the Eurasian Union – will mean that (beyond ongoing sanctions) the EU will need to review its established policy frameworks (the European Neighbourhood Policy and Eastern Partnership) to develop more political and operational responses.

3. China: two kinds of assertiveness

Andrew Small

Beijing's approach to the management of global disorder is bifurcated between its immediate neighbourhood, which is still replete with historical grievances and territorial disputes, and crises in other regions, where China's political and security role has traditionally been more detached. In East Asia, China itself is one of the principal sources of disorder, and its assertive stance on maritime disputes has brought about fears of outright conflict among powers in the region. Yet, in much of the rest of the world, a more assertive Chinese approach to addressing security threats would, by and large, be welcomed. Whether its expanding role in Afghanistan or its growing involvement in peace-keeping and counter-piracy missions, Beijing's willingness to start shucking off its old foreign policy inhibitions and act as a more 'normal' great power is beginning to translate into constructive contributions to security beyond East Asia.

From regional to global threat perceptions

While China has a set of economic and strategic concerns that are global in scope, East Asia remains its overwhelming security focus. Until the late 2000s, Chinese threat perceptions could be defined almost exclusively in defensive terms. With the exception of a limited

number of regional contingencies, such as the potential implosion of North Korea, Beijing was predominantly concerned with deterring Taiwanese independence and attaining the ability to counterbalance the United States' (US) military power. Its tolerance threshold for risk and conflict escalation in its neighbourhood was limited, especially if it threatened the stable political and economic relationships that China saw as central to its domestic development agenda.

But as China's capacities have grown, both militarily and economically, this calculus has shifted and has been magnified by perceptions among the Chinese public and elites that its improved power position should translate into tangible gains, including the opportunity to right historical 'wrongs' in the region. For example, since 2008 China has been demonstrating a heightened assertiveness on maritime disputes in the East and South China Seas, including a willingness to use trade and economic instruments to serve politico-strategic ends. Japan, Vietnam, and the Philippines in particular have been subjected to an array of military and economic pressures, such as oil-drilling in disputed territories, the outright seizure of disputed reefs, the increased presence of Chinese vessels and aircraft in their waters and airspace, and selective cut-offs of key imports and exports.

Global security matters present a contrasting story to the picture to China's east. Beijing sees a set of adverse developments in the arc of instability that runs from China's western borders all the way through to Africa that have not only heightened its sense of threat, but are also pushing it to play a more serious role in addressing them. In the recent past, when dealing with security crises outside its neighbourhood, China's tendency was to pursue a relatively limited defence of its interests while avoiding damage to its relations with other major powers. On matters ranging from the Iran nuclear negotiations to the conflict in Libya, China expected a seat at the table (to which its permanent position on the United Nations Security Council – UNSC – usually entitled it anyway), while trying to minimise harm to its immediate economic and political concerns.

The main challenge for the West was navigating Chinese obstructionism rather than expecting any substantive contributions. Beijing typically leaned against any form of interventionism, whether sanctions or military engagement, but would only block action entirely in rare circumstances. When China presented an active obstacle, as has been the case for repeated UNSC resolutions on Syria, it has been in concert with Russia. In other cases that involved helping to stabilise governments in power rather than overthrowing them (Mali), or soothing inter-state tensions (North and South Sudan), its role was relatively helpful.

In the round though, while it is possible to point to these and other occasional constructive developments, such as Chinese contributions to the Gulf of Aden counter-piracy coalition, accusations that China has been a free-rider are mostly fair. Beijing has been happy to see international focus (and US energies in particular) on conflicts distant from its neighbourhood, and has wanted to minimise its own exposure to them. Beijing rarely sees international crises, including disputes between great powers, as central enough to its core interests to merit a political showdown, even when it disagrees with Western actions. China's stance on Ukraine perhaps best embodies this. While undoubtedly displaying a Russian tilt in its sympathies, in most respects Beijing has been studiously neutral, and simply sought to avoid direct involvement.

A more assertive China everywhere?

There is undoubtedly an element of threat-based analysis driving Chinese behaviour in East Asia – chief among them the development of a sphere of interest in which the US military can be deterred or disrupted. Yet, its role in regional disorder is also motivated by a sense of strategic opportunity. Beijing's deteriorating relations with many neighbours in recent years, and hedging behaviour on their part – including deepened ties with the US and military build-ups of their

own – have arguably had an adverse effect on China’s strategic situation. But this remains an environment in which Beijing believes its hand is strengthening over time and that the series of incremental gains it is making will be impossible to roll back. There is now every expectation that this more assertive behaviour – which at its worst could result in an escalation into outright conflict with one of China’s neighbours, or even the US – will become a persistent feature in the region.

In other regions, China’s threat perceptions and its strategic responses have shifted in important respects. Some of these developments have been slow and long-term in nature. Over time, the enormous growth in China’s investments, resource needs, and personnel numbers in so many of the world’s trouble-spots has necessarily expanded Beijing’s conception of the threats to its interests. At the same time, the Chinese military has had nearly a decade of supplementing its traditional defensive focus with a series of ‘new historic missions’ that prepare the People’s Liberation Army (PLA) for a new set of global responsibilities, from non-combatant evacuation operations (Libya in 2011) to peace-keeping. Developments such as China’s first contributions of combat troops to United Nations (UN) operations, in Mali in 2013 and in South Sudan in 2014, are the culmination of this drawn-out process.

The most significant shifts in Beijing’s stance, though, have been catalysed by recent events. The convulsions of the Arab spring were a shock to China, particularly the Libya conflict in which it became clear how poorly prepared China was to deal with the task of transporting tens of thousands of citizens from a combat zone. This has forced a rethink not only about its exposure in trouble-spots from Iraq to North Africa, but also about how its global military posture – such as forward-deployments of assets and reliable access to port facilities – might affect its capacity to respond more effectively in the future.

But the most important recent development has been back home in China. A major escalation of terrorist incidents over the last year,

including attacks in major Chinese cities beyond the restive north-western province of Xinjiang, has heightened the salience of conflicts that risk creating safe havens or training environments for Uighur militants. Afghanistan and Syria have been of particular concern, the former given its prior history of hosting East Turkistan militant groups, the latter given the free-flow of persons between Syria and Turkey, which has traditionally been the largest hub of overseas support for the broader Uighur cause. In addition, Islamic State (IS) has had few qualms in identifying China as a target, which the Afghan Taliban and Al-Qaeda were far less willing to do. The direct connection between Chinese fighters showing up in Syrian or Afghan camps and incidents in mainland China may be tenuous for now – but Beijing sees a context in which the threat of rising extremism to Chinese interests is growing.

Chinese worries are heightened by the fact that it sees the US playing a diminished role in managing the emerging disorder in the greater Middle East. Beijing had long been concerned about the presence of US military bases near its western borders, and stood forcefully against intervention in Syria when the civil war was framed in regime-change terms. Yet, the US drawdown in Afghanistan and its less-than-robust approach to the conflict in Syria have left China with the concern that it is going to have to take on greater responsibility for managing many of these problems itself.

Beijing's preferred tools in dealing with these crises are still largely economic and political rather than military, but some of these measures could have an important impact even in the absence of a more substantial Chinese security role. Beijing's plans for a Silk Road Economic Belt and Maritime Silk Road, connecting the country more comprehensively with its key markets and resource supply routes, represent as much a stabilisation plan for its western periphery as a trade initiative. Major Chinese investment and infrastructure projects provide an opportunity to effect longer-term changes in the prospects

for countries whose fragility has also been a function of economic weakness and poor connectivity.

Yet, in some instances, China is willing to go well beyond the deployment of its financial firepower. One of the most important test cases is Afghanistan. China's hosting of the country's first post-election multilateral gathering; its increased aid contributions; its offers to host reconciliation talks with the Taliban; its active convening of key regional states; its discreet leaning on 'all-weather friend' Pakistan; and its deepened intelligence cooperation with Kabul are changing China from a peripheral actor in Afghanistan's future to a central one. It is also one of the few instances where, despite intensifying strategic competition with the US in East Asia, the two sides are developing a deepening level of cooperation on what is an issue of high mutual concern. There are still many contexts in which differences in threat assessments, political objectives, and a 'values gap' make it difficult for China and Western powers to develop complementary policies. But in crises where stability and counter-terrorism concerns are the highest priority for all sides, there is potential for China to become an increasingly important partner.

Implications for Europe

For the European Union (EU), there are a number of implications. When it comes to tensions in East Asia, Europe still needs to think through more comprehensively how its diplomatic stance, trade policies, arms sales, and cooperation with other states in the region can influence China's strategic choices. In dealing with the region that is most important to the future of the European economy, and the central theatre for great power competition in the coming century, geographical distance should not preclude sustained attention. At times, this will necessarily involve political tensions with Beijing. As Europeans know from their own backyard, when assertive powers

exhibit coercive behaviour towards their smaller neighbours there are practices that cannot just be treated as fair game if the EU wishes to uphold a set of basic norms, rules, and values.

Yet, during 2015, a sustained partnership with China on managing selected international crises may increasingly look like a more viable prospect. The EU's counter-piracy operation off the coast of Somalia (Operation Atalanta) gave a modest demonstration of its capacity to offer a platform for the PLA's integration into the global security order, since the PLA wants to develop its experience of working alongside advanced militaries with which it is not in direct security competition.

The immediate advantages of closer Chinese political, economic, and security involvement in dealing with some of Europe's most pressing concerns are also clear. On Ukraine, the scope remains limited – China's growing closeness with Russia means that the best that can realistically be hoped for is continued political neutrality and some economic support. But in the crises spanning the greater Middle East, including Afghanistan and North Africa, Europe should be seeking to develop a deeper level of political cooperation, intelligence-sharing, and long-term coordination of economic policy and aid. In recent years, the difficulties that a more assertive China presents have been prominent – and will remain so. When it comes to managing many of Europe's most pressing security challenges, however, Chinese assertiveness could yet prove an important asset.

4. India: the sub-continent and the open sea

Gauri Khandekar

India maintains a strong realist belief in self-reliance and, as its colonial history and defeat in the 1962 Sino-Indian war have taught it, the country never drops its guard. To cope with its multiple insecurities India relies on a mix of nuclear deterrence, hard and soft power, and partnerships. For example, India is currently the largest arms importer in the world. India's soft power builds on cultural and historical ties with its immediate South Asian neighbourhood, the Middle East and Africa, while its democratic ethos helps garner trust internationally. India has a web of successful security-focused partnerships with Israel, the United States (US), Russia, and certain European Union (EU) member states. Plus, a new constellation of partners like Australia and Japan are becoming integral for India's evolving Indo-Pacific strategy.

A sense of encirclement

India is flanked by two nuclear-armed neighbours – China and Pakistan – both of whom have initiated wars against India and dispute the Himalayan borders they share with it. India has for decades faced heavy cross-border terrorism and incursions from arch rival Pakistan. As a result, two-thirds of Delhi's military power is directed towards

Islamabad. Pakistan is also supported by China, with whom Islamabad shares a close military and strategic partnership – Pakistan is the top client for Chinese arms exports. India, China and Pakistan are the world's top three arms importers, and all three are in the process of augmenting and upgrading their nuclear arsenals. Managing the Pakistan threat therefore compels India to rely heavily on nuclear deterrence, military might, and intelligence.

Furthermore, India worries about Pakistan's influence in its region, particularly in Afghanistan where Islamabad is suspected of fostering not only terrorism but also the Taliban by providing sanctuary, arms, and training. Every other neighbour of India, each an impoverished weak democracy, poses challenges for Delhi – as bases for terrorism directed against India, large-scale illegal migration, currency counterfeit and illegal goods trafficking as well as the spill-over of domestic ethnic conflicts (for instance the ethnic conflict in Sri Lanka or Maoist insurgency in Nepal). India also has minor territorial disputes with Bangladesh, Nepal, and Sri Lanka.

India has a complex relationship with China marred by territorial disputes, border standoffs, as well as profound mistrust, but buoyed by increasing economic interdependencies and multilateral cooperation. Delhi feels encircled by Beijing's growing presence in its neighbourhood, and is keen to offset China's increasing ability to project naval power in India's front yard, the vast Indian Ocean – the world's largest and most important trade corridor. More than two-thirds of India's border is surrounded by sea, accentuating India's concern about China's 'string of pearls' or 'Maritime Silk Route' strategies – which include access to potential military bases currently veiled as commercial ports in Pakistan, Sri Lanka, Bangladesh, and Burma/Myanmar, along with Beijing's growing influence in East Africa, including considerable amounts of aid. In October 2014, for example, Chinese nuclear-armed ballistic missile submarines and warships docked in Sri Lanka for the first time.

Turmoil in Africa also has strategic implications for India. India has a long history with Africa, growing energy interests, flourishing trade, and common development goals. The Indian diaspora in 46 African countries currently totals nearly 2.7 million, with the majority in South Africa and Mauritius. Indian investments in Africa amount to more than \$50 billion compared to Chinese investment of \$15 billion by 2012 according to the Confederation of Indian Industry. For example, India is Nigeria's top crude oil client and largest trading partner (overtaking the US in 2013), according to the Indian high commissioner to Nigeria, Rangaiah Ghanashyam. India is concerned about the spread of extremist networks and intra-state conflicts and has developed security partnerships with many African countries (such as Kenya, Mozambique, Madagascar, Nigeria, Botswana, Namibia and Lesotho), including military training and capacity building in addition to supplying defence equipment. Soft power is also a major component of India's engagement in Africa through business-to-business links, aid, technological cooperation, and the provision of generic medicines.

The Middle East represents a major gap in India's capacity to project influence to protect its growing interests there. The Middle East has the largest concentration of Indian diaspora (roughly 7 million out of a total of 25 million according to a lower house of the Indian parliament – *Lok Sabha* – report). The region also accounts for nearly half of India's \$69 billion (2012) remittance inflows (the world's largest remittances recipient country) and about 61 per cent of its oil imports. The series of Middle East crises – from successive Iraq wars, the Iranian nuclear crisis, the Syrian imbroglio and the rise of Islamic State (IS) – have deeply perturbed Delhi. India's main priority for the Middle East is stability, and Delhi views any external involvement in the Middle East as destabilising. While India would prefer that Iran did not develop a nuclear weapon, it has decried Western sanctions against Tehran, an important source of crude oil for India. Delhi, which traditionally adheres to the principle of international non-interference in domestic affairs, has also criticised

outside meddling in Syria, especially by the US and EU countries, which, it feels, have exacerbated Syria's challenges.

From deterrence to free-riding

In general, India's willingness and capacity to employ hard power decreases with distance, in large part because of worries about neighbouring Pakistan. To monitor threats from Pakistan, including terrorism, India mainly relies on border security forces, nuclear deterrence, and intelligence. Delhi is very concerned about Islamabad's nuclear arsenal and the possibility of those nuclear weapons falling into the hands of terrorists/militants. With a view to countering these threats, India has struck a series of security-oriented partnerships with the US, Russia, Israel, the United Kingdom, Germany, France and others, focusing on counter-terrorism, defence cooperation, and arms procurement.

A combination of hard and soft power characterises India's relations with the rest of its South Asian neighbours. For example, India has been one of the largest donors to Afghanistan, where aid has been focused on reconstruction and civil society initiatives. Furthermore, over 80 per cent of India's grants and loans go to Bhutan, Afghanistan, Sri Lanka, Nepal, Bangladesh, Myanmar, and the Maldives. India's engagement with its neighbours, especially aid, is also heavily influenced by China's attempts to warm up to them.

The Indian Ocean is the main concern for India after its immediate neighbourhood. The looming shadow of China has not only compelled India to establish its own maritime initiative – 'Project Mausam', which will be launched in early 2015 to deepen links with littoral states from East Africa to Indonesia –, it has also pushed Delhi to step up defence cooperation with Sri Lanka and the Maldives. Indian warships are regularly stationed off the coast of East Africa and the Southern Indian Ocean, and India regularly conducts naval exercises with many

South Asian and East African countries. Since 2008, India hosts an Indian Ocean Naval Symposium (IONS) every two years with the aim of enhancing naval cooperation among 35 Indian Ocean littoral states. India is also a founding member of the 20-member Indian Ocean Rim Association (IORA), which meets annually.

India's China-management-strategy is however not passive, nor limited to the Indian Ocean. In 2015, India will continue its process of military and naval build-up to boost its force-projection, including into the Pacific. Indian foreign policy has begun conceptualising the 'Indo-Pacific' together, and countering Chinese influence will not be limited to India's neighbourhood but taken to China's too, including through an increased presence of the Indian navy there.

Delhi has backed the cause of freedom of navigation in both the South and East China Seas in the face of controversies between littoral states, mostly involving China. Japan and India have recently launched a 'special global strategic partnership', covering economic and security cooperation. Delhi has also purchased a number of oil blocks from Hanoi in disputed waters, and recently advanced Vietnam – a country India considers a pillar of its 'Look East Policy' (towards East Asia) – a \$100 million credit line for defence procurement in addition to military training and four patrol boats.

India has also stepped up ties with Australia and the US, countries which not only eye China suspiciously, but that are also engaging with India on strategic nuclear cooperation (uranium sales). In 2015, India will participate in all Asian regional fora and hold joint military/naval exercises with Australia (for the first time), Japan and the US, as well as all other Asian actors (including China). Nurturing partnerships with Vietnam, the Philippines, Taiwan, the US, Japan and Australia will become prominent elements of India's toolkit for East Asia. However, India will refrain from isolating China as economic interdependence between both countries has been rising steadily.

For managing crises in Africa, India prefers the multilateral option. India is the largest contributor to United Nations (UN) peace-keeping forces in Africa, and is very active in international anti-piracy efforts off Somalia (the Indian navy is the largest resident navy in the Indian Ocean). But the country refrains from unilateral military action. Partnerships play a key role for India in Africa and Delhi has also shown interest in cooperation through the BRICS (Brazil, Russia, India, China, South Africa) and IBSA (India, Brazil, South Africa) formats on tackling development-related challenges, and with EU member states in addressing African conflicts. For example, at a meeting with EU and African Union leaders in Brussels in 2013, India offered \$1 million for upgrading the Malian army.

India takes a relatively hands-off approach towards the Middle East despite its important interests there. Delhi has maintained cordial relations with all Middle East countries building on civilisational, cultural, and linguistic ties. India's religious diversity boosts its soft power in the region – India houses the world's third-largest Muslim population (175 million), mostly Sunni, and the second-largest Shia population after Iran (40-50 million). Delhi employs a 'wait and see' approach to Middle East crises, hoping that they either resolve themselves or are successfully resolved by Western powers (even if Delhi publicly objects to their interference). The 2011 intervention of the North Atlantic Treaty Organisation (NATO) in Libya raised alarm in Delhi in what was largely perceived as enforced regime change. But at the same time, India relied on NATO to rescue its diaspora from Libya. Plus, India shares Western concerns about the rise of Islamic State (IS) in Iraq and Syria. Even though a crumbling Iraq, a major crude oil supplier, is an emergency for Delhi, India largely prefers to free-ride on Western forces to tackle IS, and has focused on the rescue/return of kidnapped Indian workers. 2015 is likely to see a continuation of Indian inaction while quietly welcoming Western efforts against IS in Iraq and Syria.

Implications for Europe

Under Narendra Modi (who was elected prime minister in 2014), a more assertive India, confident of its interests, is likely to emerge during 2015. The EU's strategic relevance to India will depend on the ability of both parties to focus on a few key converging foreign policy interests.

India has little empathy for EU concerns on Ukraine and stands steadfast alongside its time-tested friendship with Russia. India abstained from voting on a 2014 UN resolution on the territorial integrity of Ukraine, while former National Security Adviser Shivshankar Menon spoke of Russia's 'legitimate interests' in Ukraine. In Syria, India has consistently opposed any military intervention by Western powers against the Assad regime, maintaining that the Syrian conflict should be resolved through dialogue and political efforts led by the Syrians themselves. While discreetly supporting it, Delhi cannot be counted on to openly join international military action against IS either. The EU should therefore not expect much cooperation from India on crises in its immediate eastern or southern neighbourhoods.

However, India's growing engagement in Africa may offer scope for Delhi to cooperate with the EU and its member states there. An EU-India dialogue on Africa would help both partners discuss ways of joining forces or taking complementary action in addressing African development, or conflicts like that involving Boko Haram in Nigeria or the insurgency in Mali. Likewise, another broad issue of shared concern, and potential matter for further dialogue, is freedom of navigation across the Indo-Pacific.

5. Kazakhstan: the emerging power project

Jos Boonstra

Kazakhstan is a Central Asian power uncomfortably placed between heavyweights Russia and China and fragile southern neighbours. But what it lacks in population (only 17 million), military strength and economic clout, it makes up in territory (ninth-largest in the world), natural resources and international ambition. The country aims to be among the 30 most developed nations by 2050. However, the record of domestic reforms is rather poor. The opaque objective to build Kazakhstan's own model of 'distinct and culturally attuned democracy' has replaced earlier commitments to democratic advancement. Inadequate reforms affect the country's international standing and aspirations.

Kazakhstan presents itself as a key connection between Asia and Europe, as well as a broker on some international challenges. It aspires to do so via a multi-vector foreign policy that was born out of the necessity to balance Russian and Chinese influence, but now has developed into a way of trying to be friends with almost everyone. Over the coming years, Kazakhstan faces a range of challenges, from falling oil prices and indirect negative consequences from European Union (EU) and United States (US) sanctions against Russia on the Kazakh economy to social grievances and questions about future presidential succession in an authoritarian state.

A tight spot

Kazakhstan's biggest headache is Russia's assertive policies, especially as the crisis in Ukraine continues. Worries grew in Kazakhstan when Russian President Putin argued in August 2014 that Kazakhstan did not have a history while downplaying Kazakhstan's sovereignty. A quarter of Kazakhstan's population is ethnically Russian which, following the annexation of Crimea, has created concerns that Russia might also harbour ambitions in northern Kazakhstan. A more urgent worry is the negative impact of Western sanctions on Russia on the Kazakh economy in combination with declining oil prices (oil exports account for a quarter of its gross domestic product). Already in early 2014, the Kazakh currency was devalued by almost one-fifth, food prices have risen, investments have declined, and exports to Russia have plummeted. All this lowered forecasted 2014 economic growth from 6 to 4.3 per cent.

Because Russia is Kazakhstan's main partner – with which it is firmly entangled through membership of Russia-driven cooperation and integration initiatives – the current crisis makes it all the more important for Kazakhstan to develop strong bilateral and multilateral ties with other organisations – foremost the EU, the North Atlantic Treaty Organisation (NATO) and the Shanghai Cooperation Organisation (SCO) – and countries (Russia, China, the United States and EU member states). In that sense, Astana works hard to present itself as the centre of a 'new silk road' linking Europe and China.

Kazakhstan's second-biggest concern is terrorism and rising Islamic extremism. The drawdown of international troops from Afghanistan implies a partial disengagement of the EU and the US in the Central Asian region. But more urgently, there are concerns about spill-over effects that could negatively affect Kazakhstan (narcotics and Taliban inspired extremism). However, Kazakhstan sees the risks

of religious radicalism as part of a broader phenomenon, since this threat can originate from local Kazakh radicalised movements or from groupings further afield, foremost Islamic State (IS). Like many European countries, Kazakhstan is concerned about young radicals leaving the country to fight for IS and possibly becoming a security threat on their return. Kazakhstan's robust anti-terrorist stance and vigilance against radical Islam is understandable, but the authoritarian state has difficulty distinguishing terrorist threats from the growing Islamisation of societies in the broader Central Asian region.

Kazakhstan is part of a volatile neighbourhood. Whereas the main security threat is often portrayed as coming from unstable Afghanistan, the Central Asian region boasts a host of home-grown challenges. These range from tensions over resources, especially between countries with water resources but no gas or oil (Kyrgyzstan and Tajikistan) and those with substantial fossil reserves but no water (Kazakhstan, Turkmenistan, Uzbekistan). For example, Tajikistan's hydroelectric expansion plans have caused tensions with Uzbekistan that could even lead to conflict in the future. Other border disputes such as that between Tajikistan and Kyrgyzstan over arable land have also led to violence.

On top of these regional tensions, national stability can also easily be threatened by social tensions as the populations of Central Asia grow ever younger and state services (i.e. infrastructure, healthcare, education) remain poor. Ethnic rivalry, as witnessed in Kyrgyzstan in 2010, could also become a worrisome phenomenon as these young republics may attempt to further bolster their identity (possibly at the expense of minorities). Although Kazakhstan is the success story of the region, it has little leverage in fostering regional cooperation. Whereas Kazakh-Uzbek relations have improved over the last few years, Tashkent will not allow Astana to play a regional leadership role, while almost all cooperation is externally inspired by Russia, China, the EU or the US.

Kazakhstan is also affected by social inequalities and entrenched corruption. Although the middle class is growing, inequality is still rising between the population at large and the political, bureaucratic, and business elites. Such tensions erupted in December 2011 in the Western city of Zhanaozen where protesting oil-industry workers were violently dispersed, resulting in numerous deaths and injuries. But the biggest question that is barely publicly discussed in Kazakhstan (but is on everyone's mind) is who will succeed President Nursultan Nazarbayev, who has been in power since even before Kazakhstan's independence in 1991. Most likely, the appointment of a successor will result from a bargaining process within the elites. A weaker president that would rely more on the growing influence of the bureaucracy and will only act as a *primus inter pares* among the different business interest groups is most likely, although the chance of instability cannot be fully ruled out.

A permanent balancing act

Kazakhstan wants to help end the Ukraine crisis and bring Russia and the EU to the negotiation table. In the August 2014 Minsk negotiations among Ukraine, Russia and the Donetsk-Lugansk separatists, President Nazarbayev played an active role in urging for an agreement (the September ceasefire lies in shambles at the time of writing). At first sight Kazakhstan seems to be well-positioned to bring opposite sides to the table, as it is one of the most loyal partners of Moscow while having good relations with Ukraine, the EU and the US. But so far Kazakhstan lacks the diplomatic track-record and influence to make a genuine difference.

Kazakhstan is part of a broad group of regional and international fora. It is member of the SCO, where Russia and China are the main drivers; an organisation that hovers between economic and security priorities. More sensitive is Kazakhstan's balancing game between its membership of Russia-driven organisations, foremost the Eurasian Economic Union but also the Collective Security Treaty Organisation

(CSTO – Russia’s version of NATO) and its participation in the Organisation for Security and Cooperation in Europe (OSCE), as well as close ties with NATO through the Partnership for Peace programme and the EU through the finalisation of a new ‘enhanced’ Partnership and Cooperation Agreement (PCA).

Over the last decade, Kazakhstan’s underlying *modus operandi* has been to be part of Russia-driven organisations but to remain close to European, Transatlantic and Asian organisations. This means that Kazakhstan did not render support to Russia’s annexation of Crimea (nor condemned it), while backtracking on transatlantic prescriptions on democratic reform and human rights. Meanwhile it has also been active in seeking a leading international role, for instance through Nazarbayev’s 1992 (and still running) Conference on Interaction and Confidence Building Measures in Asia and its chairmanships of the OSCE in 2010 and the Organisation of Islamic Cooperation (OIC) in 2011. Kazakhstan also hosted the April 2013 negotiations concerning Iran’s nuclear programme, while exemplifying its own abolition of nuclear weapons. Moreover, Astana may step up its efforts to conclude accession negotiations to the World Trade Organisation (WTO) in the near future, and it is seeking a non-permanent seat on the United Nations Security Council (UNSC) in 2017-18. However, Kazakhstan’s diplomatic efforts seem to have been mainly inspired by a desire to advertise the country than achieving concrete results.

The EU is Kazakhstan’s largest trading partner (about 35 per cent) and biggest investor (about half of all foreign investment). For Kazakhstan, Europe is a crucial alternative to rising Chinese influence and a dominant Russia. Kazakhstan seeks to be highly visible in Europe by reinforcing institutional ties with the EU and building bilateral relations with its members. It also advertises the Kazakhstan brand via investment-driven events (for instance by organising Expo 2017); initiating Kazakh-funded think tank work in Europe; and sports (since 2002 Kazakh clubs participate in the Champions League and the Europa League, Europe’s

transcontinental football tournaments, and a rider from the Astana cycling team won the Tour de France last summer).

Whereas the US is seen as an influential security actor, its role in Central Asia is expected to decline as a result of its military drawdown in Afghanistan, while Kazakh-US trade is minimal. Meanwhile Kazakhstan carefully seeks to balance relations with China, its second trading partner (about a quarter of total trade) – but the trade balance is negative for Kazakhstan (the opposite is the case with the EU). Rising Chinese economic influence in Central Asia is one key reason for Kazakhstan's economic alignment with Russia through the Eurasian Economic Union, although the northern neighbour is only its third trade partner (about 13.5 percent of total trade), well behind the EU and China.

In 2015, Kazakhstan will continue to advertise its economic development, including through an active regional and international posture. But concerns with entanglements over EU-Russia relations, Central Asian stability and the politics of a future presidential succession could cast a shadow over Kazakhstan's development during 2015 and beyond.

Implications for Europe

The EU recognises that Kazakhstan has grown in importance compared to other Central Asian republics, and EU member states have flocked to Astana to establish embassies and promote business interests. The EU concluded negotiations on a so-called 'enhanced' PCA in October 2014 with Kazakhstan, which will be reviewed by the EU Council and the European Parliament in the course of 2015. This process is likely to entail controversy in Europe concerning issues of human rights and democratisation.

Nonetheless, Kazakhstan can be a helpful partner for the EU in the international arena and in fostering regional development and stability. But to be a trustworthy and stable partner, it would first need

to strengthen good governance and the rule of law as basic guarantees for outside investors; matters on which Astana has performed poorly so far. The country's future stability will largely depend on economic diversification (as recognised in Kazakhstan's policy objectives) and democratic development. Relying on its 'father of the nation' president for future stability in a volatile region will not suffice.

Second, Kazakhstan can have some degree of influence over Russia, since it will be instrumental in the future success or failure of the Moscow-led Eurasian Economic Union. President Nazarbayev has made clear that Kazakhstan sees this integration initiative as purely economic rather than political, and Astana will have some sway since Moscow wants this initiative to succeed. In EU circles, some voices have already noted that Kazakh-initiated talks between the EU and the Eurasian Economic Union might be a way to restart dialogue with Moscow.

Third, a stable and cooperative Kazakhstan can play a positive (though minor) role in the stabilisation of Afghanistan. As several Central Asian states have feared that the international drawdown from Afghanistan will lead to partial US disengagement from Central Asia, Kazakhstan has sought to look beyond this and take initiative in arousing the interest of global external partners in Kazakhstan. Now Astana should actively contribute to international deliberations over Afghanistan's future as well as intensify support for development projects ranging from infrastructure connecting Central Asia to Afghanistan to education.

The trick for Europe will be to help Kazakhstan develop into a viable partner, not only one of hollow initiatives, tokens and gestures. Astana's balancing game is understandable since it is a young country in a dangerous neighbourhood, but Kazakhstan's approach to international cooperation will need to start going beyond bilateral trade deals and placing the country on the map.

The author thanks Andreas Marazis for his valuable input.

6. Iran: a convenient convergence of crises

Daniel Keohane and Walter Posch

The Islamic Republic of Iran perceives itself as a legitimate hegemon in its region. This in turn provides a justification, in Iranian eyes, for its nuclear programme – as a virtual nuclear power (nuclear-arms capable but not armed), Iran would be able to outmanoeuvre regional rival Saudi Arabia and counterbalance Israel’s nuclear preponderance in the region. Iran also hoped that the Arab spring would result in new allies taking power, while reducing Western influence in the Middle East. The reality, however, looks quite different.

The game changer was Syria. Iran’s longstanding ally, the Assad regime, manipulated the country’s sectarian diversity for the purposes of regime survival – peaceful protests became a bloody civil war with sectarian connotations. Worse, the emergence of the radical Sunni Islamic State (IS) in Syria and Iraq has created a regional civil war, where issues of identity, legitimacy and regional power interests converge. All this has resulted in a striking re-interpretation of Iranian foreign policy: instead of stressing its pan-Islamic revolutionary identity, Tehran now follows a sectarian reading of events and acts accordingly – as the main Shiite power in the region.

The twin threats: Syria and Iraq

Iran has coped with the two conflicts in Iraq and Syria relatively successfully. In both cases, Tehran stresses national sovereignty and the inviolability of existing borders, but behaves differently in the two countries depending on the nature of its long-held links to local actors and the proximity of the crisis to Iran's borders.

On Syria, Iran continues to defend its ally Assad. This is not to say that Tehran could not imagine a Syria without Assad. But as a matter of principle, Tehran stresses, like Moscow, national sovereignty and that only the Syrian people – not the international community – can change the government. Plus, Tehran argues, Assad won the 2014 elections (the international condemnation of their validity is ignored). In other words, there can be no solution without recognition of the legitimacy of the Syrian regime.

Beyond diplomacy, Tehran has a robust presence on the ground in Syria, building on decades-old intelligence cooperation. For example, Damascus has allowed Tehran to use military elements in Syria, like the Qods Force of the Iranian Revolutionary Guard Corps (IRGC), to train Shiite self-defence units. Plus, Iran ordered Lebanon-based ally Hezbollah to fight in Syria on the side of the Assad regime. Tehran's support has not dramatically altered the military situation on the ground, but it has helped to save the embattled regime by preventing the other side from winning.

The situation in Iraq differs in many respects to Syria. Since the 1980s Iran-Iraq war, preventing a militarily strong Iraq has been a top priority for Tehran. This aim was effectively achieved by the United States (US) 2003 invasion. Since 2003, Iran has been actively but discreetly shaping the future of Iraq, relying heavily on networks built up during the 1980-88 war, such as anti-Saddam Hussein Kurdish and Shiite groups. These include the Badr Brigade of Shiite Iraqis trained

by the IRGC in the 1980s – some of whom now hold senior positions in the Iraqi security forces. Relations with other Shiite Iraqi militias are currently coordinated by Qasim Soleymani, the commanding officer of Iran's Qods Force responsible for trans-border operations. It is unclear what Tehran knew about the IS threat and the weakness of the Iraqi army. But Iran has tried to keep the chaos in Iraq as far away from Iran's border as possible, relying on local Iraqi militias, especially Badr and the Kurds. For example, Soleymani and the Badr Brigade, together with units of the Iraqi army, retook the strategically important Shiite Turkmen town of Amerli and the Arab-Sunni town of Jurf al Sakhr.

However, Tehran's relations with Iraq's Kurds are delicate – both opposed Saddam Hussein (and oppose IS), but Iran now seems to favour a strong (Shiite-led) central government. Iran has a sizeable and dissatisfied Kurdish minority of its own and fears Kurdish self-confidence could spill-over into Iran. And another Kurdish actor has become problematic: the Turkish Kurdistan Workers' Party (PKK). This organisation has undergone a remarkable restructuring, and expansion into neighbouring countries, since the capture of its leader Abdullah Öcalan in 1999. Its Iranian clone, the Party of Free Life of Kurdistan (PJAK), conducted small military operations until 2011, when the PKK signed a truce with Tehran and pulled back the PJAK's armed wing, the East Kurdistan Defence Forces (formerly known as HRK, now renamed YRK).

During summer 2014, armed PKK units from Turkey (People's Defence Forces, HPG), Iran (YRK) and Syria (People's Protection Units, YPG), filled the void left by Kurdish Regional Government (KRG) troops in the Sinjar Mountains, protecting the mass exodus of Ezidi Kurds to Iraqi and Syrian Kurdistan. Simultaneously, the battle in Kobane generated a wave of sympathy throughout Iranian Kurdistan, including a dramatic increase of Iranian Kurds joining the PKK. As a result, the PJAK has intensified its political activities inside Iran and restructured its military organisation (YRK). A big

question during 2015 will be if the PKK and its affiliates would risk a confrontation with Tehran.

Iran's changing strategic calculus

There is a certain irony that a scorned country, Iran, and a banned organisation, the PKK, have become the most reliable allies of the West in fighting IS. One question is how Tehran may interpret this convergence of interests with the US in Iraq. For example, Tehran played a major role in the downfall of Iraqi Prime Minister al-Maliki in summer 2014, which was welcomed by the US, and the Soleymani-coordinated militias may not have been so successful in fighting IS without timely and accurate US airstrikes. Yet, there is no indication that Tehran constructively links its own military successes in Iraq with an alignment of interests with Washington.

On the contrary, Iranian air strikes on IS positions (during an international anti-IS coalition conference in Brussels) in December 2014 seem to suggest Iranian self-confidence, passing the message that Iran could shoulder this fight on its own. Thus, while indirect US-PKK cooperation can be managed via the KRG, cooperation between Tehran and Washington remains unlikely.

All the more since Western governments are not clear on whether the fight against IS is about containing or destroying this group (and have not yet backed it up with meaningful military action on the ground); nor is it clear if this is a cross-border fight or two separate but intertwined struggles in Iraq and Syria. Either way, Tehran knows that Western governments now have a muddled position towards the Assad regime. Washington seems no longer interested in regime change in Damascus, which distances it from its most important allies in the region – Saudi Arabia, Israel, and Turkey. Fearing a greater spill-over of the Syrian conflict into its own territory, Turkey has become

much more cautious, even if it still desires Syrian regime change. For the other two, much more is at stake: the possibility to undo Iranian influence across the region or being forced to accept that Iran is the regional hegemon.

Israel and Saudi Arabia are also the most critical of Iran's nuclear programme, which is not coincidental. They see the survival of Assad and Iran's nuclear ambitions like Tehran does: the twin pillars that underpin Iran's regional power. The US, in contrast, is currently focused on deal-making with Iran while, on Syria, Washington's priority is IS, not toppling Assad. But overthrowing Assad would be essential for rupturing the current 'Shiite crescent' running from Iran to Syria via Iraq.

Recognising the influence of its competitors, Saudi Arabia and Turkey, Iran tacitly acknowledges some common ground with both of them, whilst criticising their support of Sunni extremists. Turkey currently seems to be relatively neutralised and Tehran, therefore, finds it easy to intensify economic ties with Ankara. Both Iran and Saudi Arabia, so far, have played a role in preventing a larger spill-over of the Syrian conflict into Lebanon. However, relations between Tehran and Riyadh are far from cordial, and their rivalry remains intense – not only in Syria, Iraq and Lebanon, but also in Bahrain and Yemen, where local escalations could result in unintended confrontation. Iran has also toned down its aggressive rhetoric towards Israel, especially on the nuclear file, but this has not yet encouraged a less hostile approach towards Iran from an extremely sceptical Israel.

Implications for Europe

The challenge for the European Union (EU) – which will continue negotiating on Iran's nuclear programme on behalf of the international community – is that the regional security and Iranian nuclear dossiers

are converging. Any nuclear deal will be read in Tehran as recognition of its hegemonic regional role. Any breakdown may result in severe – even military – action against Iran. In either case, Europeans will have to be clear about what they want, and their choice is like choosing between Scylla and Charybdis, the counterpart monsters from Greek mythology.

There are three potential scenarios for Europeans to consider. First, if a nuclear deal is agreed, would the US and Europe then cooperate with Iran against IS? (And what would such cooperation mean for Iran's alliance with Assad, and Western relations with Saudi Arabia and Turkey?) Although not impossible – similar cooperation happened in Afghanistan against the Taliban in 2001 – it would be a fragile alliance by definition, in spite of important common interests like fighting IS and neutralising foreign fighters. Furthermore, Iran can realistically only deliver so much, given that a kind of sectarian Arab civil war rages from Baghdad to Damascus. For example, the sectarian Lebanese civil war was ended by a full-fledged occupation of Lebanon by the Syrian army, after a diplomatic solution had been found (the 1989 Taif agreement). But neither is such an agreement in sight in Syria or Iraq, nor would Iran be able to underpin it militarily. The bloodshed, therefore, may continue for a long time to come.

Second, if negotiations break down, a confrontation with Iran could be expected. However, it is not clear whether the US would take military action against Tehran or settle for more economic sanctions. The Obama administration currently gives the impression that it would prefer sanctions to military action (following its 2013 refusal to act in Syria after Assad's use of chemical weapons and its 2014 proscription on military action in Ukraine following Russia's invasion there).

Third, there is an in-between option: conclude a nuclear deal with Tehran and cooperate tacitly in Iraq, but confront Iran in Syria. This may prove the most realistic outcome because it mirrors the current

situation on the ground in Iraq and Syria. In this scenario, Iran would be neither friend nor foe, but a 'frenemy' to both Europeans and the US.

In all three potential outcomes, the Assad regime plays a central role. The challenge of how to deal with Damascus has a high potential to divide EU member states, and any decision pro or contra Assad will have grave consequences for the EU's relations with Iran and key Arab allies. The three largest EU member states – France, Germany and the United Kingdom (UK) – participate in the Iranian nuclear talks and are clearly anti-Assad. Yet, trying to replace Assad and roll back Iranian influence is a problematic policy. It runs counter to the current priorities of the Obama administration and could result in a delay of nuclear negotiations beyond the current June 2015 deadline – until a new US administration is elected.

Answering the question of what to do with Assad is a pre-condition for answering the question of how to unravel IS and how to deal with Iran. As there are no good options, only risky ones, the EU would be well advised to at least take a collective position on Iran's growing regional strength and what that may mean for European interests. Waiting until the outcome of the nuclear negotiations becomes clearer may ease the decision-making burden for Europeans for the moment, but it will not spare EU governments from taking hard decisions on their relationship with Iran during 2015.

7. Turkey: between a rock and a hard place

Diba Nigar Göksel

Turkey has found itself on the losing side of the two leading crises of 2014, Ukraine and the rise of Islamic State (IS) in Iraq and Syria. Russia's actions in Ukraine, such as the annexation of Crimea, alongside the ongoing war in Syria, including the spread of IS terror, have tipped balances of power to the detriment of Turkey, at least in the short term. During 2014, Ankara tried to stay out of problems brewing in the Black Sea region, but on the contrary, in the Middle East it got directly involved in trying to 'remedy' political crises. Not only have both strategies, in different ways, increased divergences between Turkey and the West, they have also enabled countries with interests running counter to Turkey's – especially its two strongest immediate neighbours, Iran and Russia. Currently, Turkey does not seem to have any good choices.

Turkey's nasty neighbourhood

When the Arab spring broke out in 2011, Ankara's support for the Muslim Brotherhood parties in Tunisia and Egypt precluded Turkey from positioning itself above sectarian divides, and prompted

regional powers like Saudi Arabia and Iran to try to curb Turkish influence. This has had a direct impact on the principal crisis facing Turkish foreign policy: the Syrian war. In the proxy battlefield that Syria has become, anti-Assad Turkey finds itself pitted against Shia fighters (from Iran, Lebanon, and Iraq) – and (like everyone else) the extremist Sunni IS. Furthermore, Turkey's Syrian refugee problem will surely continue to escalate during 2015 (already some 1.6 million at the time of writing).

Another critical dimension for Turkey in the Levant is the Kurdish issue, in particular the interplay between demands of the Kurdish movement in Turkey (the Kurdistan Workers' Party, PKK) and Ankara's relations with the Iraqi Kurdish Regional Government (KRG) and the Kurdish Democratic Union Party (PYD) in Syria. For example, although a PKK ceasefire has been in effect since March 2013, tensions and violence persist, which Ankara attributes to PKK intransigence because of Western support for the Kurds in Syria (Ankara has relatively cooperative relations with the KRG in Iraq).

More generally, Turkey has incrementally made more adversaries in the region than it can handle. For example, the ruling Justice and Development Party (AKP) government has downgraded relations with Israel. This has created additional challenges, including increased collaboration between Cyprus and Israel against Turkey in the (gas-rich) Eastern Mediterranean. The fall from power of Muslim Brotherhood affiliates in Egypt and Tunisia has struck a further blow to Turkey's regional influence. Moreover, the weaker standing of Ankara's government in the West has emboldened rivals such as Iran and Russia to take more aggressive stances against Turkey's interests.

Ironically, it was primarily a desire to improve relations with Iran and Russia that led Ankara to distance itself from being perceived mainly as 'an extension of the Euro-Atlantic bloc' in recent years. However, it has started to become obvious to some in Ankara that

Moscow and Tehran are primarily in competition with Turkey, and that Turkey does not have the capacity to deal with threats in the neighbourhood without the strategic assurance of being part of the Euro-Atlantic community.

On the Ukrainian crisis, Ankara has been restrained: it has underlined its recognition of Ukraine's territorial integrity, but has also abstained from taking a strong position against Moscow's moves. Various factors, such as being consumed by the war in Syria, dependence on Russian gas, and major business interests with Russia have played a role in Turkey's relatively mute response. Overtly taking the side of the West, of Kyiv, or of the Crimean Tatars, could cause more problems in Moscow-Ankara relations than Turkey could afford. Turkey's humbling experiences in trying to forge diplomatic solutions to conflicts in the Black Sea region – such as the proposal of a Caucasus Stability and Cooperation Platform in 2008 and the effort to normalise relations with Armenia in 2009 – probably also informed Ankara's caution.

While Ankara continues to maximise its economic cooperation with Russia, it is also taking steps that contain Russia – such as providing active support for closer cooperation between Georgia and the North Atlantic Treaty Organisation (NATO). Moreover, infrastructure projects that bypass Russia – linking the Caspian to Europe with pipelines, ports, railways and logistics centres – can help contain Russia's grip in the South Caucasus in the mid- to long term. Among these projects, the primary one is the Trans-Anatolian Natural Gas Pipeline (TANAP), which will begin to be laid in 2015, and should be carrying natural gas from Azerbaijan's Shah Deniz field to the European Union (EU) by 2019.

Though not explicitly stated as such, the grouping of Azerbaijan, Georgia, and Turkey essentially runs counter to the Russia-Armenia-Iran axis, aiming to bypass all three. And while it certainly plays into

Western geopolitical interests, the partnership is not presented in such terms, proceeding in a low-profile manner. However, there are risks on this front: Georgia has continuous internal political infighting – and Azerbaijan, bitter about the Karabakh stalemate and perceiving potential threats to the regime, may be prone to compromising with Moscow, to the disadvantage of Ankara and Brussels.

During 2015, Ankara will continue to be drained by threats from the conflicts to its south in Syria and Iraq, will face general elections, and will be confronted with centennial (1915) Armenian genocide recognition campaigns. It could be an optimal year for Russia to ensure that Turkey is not able to consolidate more influence in the South Caucasus.

Different Turkeys in the Middle East and the Black Sea?

There have been noteworthy differences in Turkey's posture in the Black Sea versus the Middle East and North Africa (MENA). In the case of the MENA region, particularly after the Arab spring, Ankara gambled on the rise of Muslim Brotherhood affiliates in Egypt and Tunisia (which the ruling AKP perceived as potentially belonging to a similar family of political Islam). This taking of sides motivated a range of regional powers to coalesce in trying to curb Turkey's influence.

In the Black Sea region, however, Ankara has taken a more cautious approach, prioritising economic interests and not speaking out against Moscow's violations – a caution that might have served Ankara well in the Middle East. Unlike in the MENA region – where Ankara has called on the West to pressure President Sisi's military regime in Egypt, establish a no-fly zone in Syria, and coerce former Prime Minister Maliki in Iraq – in the Black Sea region Ankara has not been supportive of Western involvement to defend international law or political reform.

Why the difference? One reason is ideological: the AKP government saw an opportunity in the Arab spring upheavals to shape the political order in the Middle East and guide the rise of Muslim Brotherhood governments. The AKP leadership, rooted in political Islam, carries more of a sense of shared destiny with political cousins such as the Muslim Brotherhood than with communities that define themselves by Turkic origin or pro-EU ideals. This also relates to AKP's domestic narrative; presenting an idealised role of leadership for Turkey in the Middle East. The AKP has accordingly shaped Turkey's foreign policy, with no ambitious 'cause' guiding Turkey's engagement towards the Black Sea region (or Eurasia more generally) in contrast to the MENA region.

There are also pragmatic reasons for the differences – such as threat perception and perceived power vacuums. The crisis in Syria has direct consequences for Turkey's security, economy, and domestic politics – in ways that the crises in the Black Sea region do not (possibly with the exception of Nagorno-Karabakh). Essentially Turkey does not itself feel threatened by Russia, unlike countries that neighbour Russia. Furthermore, given the balances of power involving the EU, US, and Russia, Ankara did not see an opportunity to dramatically extend Turkish influence in the Black Sea region – a chance it overestimated in the Middle East.

And finally, different perceptions of the legitimacy of the status quo in each region may play a role. In the EU's eastern neighbourhood, Ankara focuses on protecting the status quo, and treaties that Turkey agreed after its War of Independence (1919-23), such as the 1936 Montreux Convention. To the south, though the official Turkish position is steadfast in standing for the principle of territorial integrity, the political leadership does refer to the illegitimacy of the post World War I order of the Middle East, reflecting residual bitterness about the role of Britain and France in dividing up the Ottoman Empire (the Sykes-Picot agreement).

It is highly likely that having disjointed strategies towards the two neighbourhoods will exacerbate Turkey's challenges. Not only do the alliances traverse both regions – as depicted by Moscow's engagement in Syria – but also, Ankara's actions in one region impact Western support for its actions in the other region. This is important, because the experience of 2014 shows – above all else – that Turkey cannot afford to stand alone when surrounded by upheaval.

Implications for Europe

It seems unlikely that Turkey will strategically align its foreign policy much more closely with EU positions during 2015. On some critical issues, particularly to the south, EU positions are blurred. To the east, where the EU-28 have reached a united stance on sanctions against Russia, Turkey has no incentive to align – in fact, Ankara is taking advantage of the situation to increase its own trade with Russia. If Ankara felt that the EU had the strategic clout to confront Russia and steer developments in the southern neighbourhood, it might be encouraged to join forces with Brussels. However, despite a growing realisation that Western reassurance is necessary to hold its ground in a competitive neighbourhood, Ankara ultimately banks on its importance as a strategic asset for the West in its southern neighbourhood. The EU needs to have more to offer to Turkey if it wants to improve cooperation.

One area that provides the EU with leverage is the visa liberalisation process. Along with the readmission agreement that came into force in October 2014, the visa liberalisation roadmap has incentivised Turkish collaboration with the EU on border and migration management. This process offers a number of additional opportunities for the EU to strike synergies with Turkey in the neighbourhood. Ankara is interested in developing a more holistic approach to curb the inflow of irregular migrants, centred on the root

causes, such as poverty. Accordingly, Turkey and the EU could find win-win opportunities in areas such as development aid.

Furthermore, Ankara seeks EU support in convincing its neighbouring capitals to sign and implement readmission agreements with Ankara, and EU member states need Turkish collaboration regarding EU citizens joining IS – and eventually returning. Finally, the visa liberalisation roadmap contains benchmarks that offer the EU leverage on Turkish political reform – relating particularly to the justice system, anti-terrorism legislation, and anti-discrimination. However, the perception in Turkey that the EU's decision (to grant Turkey a visa-free regime or not when the conditions are fulfilled) will be political, rather than merit-based, weakens the leverage that the EU can derive from this process.

The impact of developments in Syria on the Turkish-Kurdish peace process and, relatedly, the spring 2015 parliamentary elections, will be the most decisive determinant of Turkey's domestic trajectory, as well as its foreign policy to the south. During 2015, the EU should also look for ways to draw Turkey into its policy framework in Eastern Europe – the Eastern Partnership (EaP) – as a stakeholder, not a distant observer. With its accession path indefinitely blocked, Turkey has not been thrilled to see Brussels draw smaller countries in its own neighbourhood into the EU's orbit. Furthermore, Ankara is not convinced that the EU will remain consistently committed to the six EaP countries in a way that will tip regional power balances in favour of the West. This inability of Turkey and the EU to come up with a common framework in Eastern Europe has contributed to the current power vacuum, which Russia is filling.

8. Saudi Arabia: putting on a brave face

Ana Echagüe

Saudi Arabia is trying to manage instability by clamping down domestically on any expression of dissent and helping prop up fellow authoritarian states such as Egypt and Bahrain. It is continuing its struggle for regional power and influence with Iran, in part via proxies in third countries such as Syria. In the fight against the transnational threat represented by the Islamic State (IS), Saudi Arabia has cooperated with the United States (US) and joined the anti-IS coalition.

The unifying theme bringing together its diverse coping mechanisms is a more active and, at least in tone, more aggressive foreign policy. Disappointed with its traditionally close relationship with the US, which Riyadh now deems untrustworthy, Saudi Arabia is trying to market itself as the leader of a fellow community of Sunni states.

Scrambling to contain threats

Saudi Arabia is surrounded by disorder: in Bahrain to the east, Yemen to the south, Syria to the west and Iraq to the north. Unsettled by the political instability derived from the Arab uprisings, Riyadh's threat perceptions are further magnified by two particular characteristics, one domestic and one regional.

In Saudi Arabia, state interest is conflated with regime security. This means that regime survival is the defining characteristic of both domestic and foreign policies. The regime is as concerned with domestic risks to its power as with external threats, and this often determines its alliance and foreign policy choices. The Saudi crackdown on the Muslim Brotherhood, including its designation as a terrorist organisation, can be seen in this light, as the regime is extremely fearful of political sentiments being awakened through transnational ideological platforms such as political Islam.

Regionally, Saudi Arabia's threat perception is driven by its competition with Iran for the dominant geopolitical role. Saudi Arabia's concerns over Iran predate the Arab uprisings, and were exacerbated by the US invasion of Iraq in 2003 and the subsequent change in the balance of power in Iran's favour. They have been further aggravated by the potential nuclear agreement between the West and Iran, which would likely result in Tehran adopting a more prominent regional role. Competition between Saudi Arabia and Iran is played out in third states through military, financial, and ideological support. Saudi actions in Egypt, Syria, and Lebanon can be mainly understood within this context.

Pragmatic attempts to ensure its own regime survival, promote regional stability or expand its influence have led the Saudis to adopt a whole range of measures. Their main aim is to contain the spread of Iranian influence, the perceived threat posed by Muslim Brotherhood ideology and that of salafi jihadism. This has led the regime to adopt an unprecedented level of activism, moving beyond its usual recourse to its deep pockets to military interventions in Bahrain and Syria.

Instability in Egypt rattled Riyadh, since the Saudis see Egypt as a key state for balancing Iranian influence – which explains the unconditional Saudi support for the current Sisi government. The Saudis, together with Kuwait and the United Arab Emirates (UAE),

have pledged more than \$20 billion (in loans, grants and oil) in aid to Egypt since the 2013 coup.

Saudi preoccupation with Syria is also a function of its concern over Iran's rising clout (Tehran is currently one of the main backers of the Assad regime). A friendly regime in Syria would re-establish a more favourable regional balance of power. After some initial hesitation, Saudi Arabia became the most vocal advocate of arming the Syrian opposition and the ouster of Assad. By November 2012, it was working with the US to support the insurgents in southern Syria, via Jordan. As Washington prevaricated, the Saudis became increasingly dissatisfied. After the Syrian army's chemical attack in August 2013 and Washington's refusal to respond with military strikes, Riyadh reportedly began to increase its support to selected rebel groups. Most recently, Saudi Arabia joined the anti-IS coalition (together with Bahrain, the UAE, Qatar and Jordan). Nevertheless, Riyadh has been very vocal about its desire to make the fight as much about Assad as about IS, with little success.

In its immediate neighbourhood, Saudi Arabia has focused on countering any spread of the Arab spring revolutions. Within the Gulf, concern over protests in Bahrain and Oman led the other four Gulf Cooperation Council (GCC) states to provide a \$20 billion economic package to help the two countries. Saudi Arabia also led the deployment of a GCC military force in Bahrain to help suppress the budding uprising. Attempts to close ranks with other monarchies by inviting Jordan and Morocco to become members of the GCC, while failed, signal the potential for an authoritarian monarchical axis. Likewise, Saudi Arabia's calls for greater unity among the six GCC states were intended as a closing of ranks, not only to counter Iran but also to discourage any pressure for reform derived from the Arab uprisings.

In Yemen, concerns over stability led Saudi Arabia to spearhead a GCC initiative to ease former ally President Saleh out of power, in

such a way as to affect as little as possible the existing balance of power. As that initiative has unravelled, insurgent Houthi forces have gained prominence and Al-Qaeda in the Arabian Peninsula remains a threat. As a result, Riyadh currently seems at a loss as to how to react.

A more assertive approach

Saudi Arabia has adopted an uncharacteristically aggressive foreign policy, a significant departure from its traditional consensual and cautious approach. Its traditional soft power tools of diplomacy, use of media outlets, financial incentives, and religious credentials have been overshadowed by the deployment of military force to Bahrain and Syria (as part of the anti-IS coalition). While numerous Saudi commentators attribute the change to the regime's growing self-confidence, the most likely explanation is a sense of vulnerability. Saudi Arabia's sense of insecurity was triggered by the US invasion of Iraq and the consequent upending of the regional balance of power. But the change in policy has been particularly noticeable since 2011 when Saudi Arabia became persuaded that the US was not ready to protect its erstwhile allies, such as Egypt.

Disappointed with the actions, or lack thereof, of the West, Riyadh started advocating Arab solutions 'to solve Arab problems'. But Saudi attempts to bolster its regional leadership have been erratic and the results unimpressive. For example, efforts to achieve greater unity and institutionalisation of the GCC have so far faltered. However, the announced return in November 2014 of the ambassadors of Saudi Arabia, Bahrain and the UAE to Doha, after their withdrawal in March of the same year, may be a sign that Saudi efforts will at last pay off. The diplomatic spat over Qatar's support for the Muslim Brotherhood seems to have been resolved (or papered over) in favour of presenting a united front in the face of regional challenges.

Saudi Arabia's relationship with the US has traditionally been a pillar of its security strategy. However, the combination of the US 'pivot' to Asia, Washington's refusal to take military action against the Assad regime in Syria and its ongoing nuclear negotiations with Iran, has raised alarms in Riyadh. The increasing production of shale oil in the US and the consequent reduced dependence on Gulf oil have deepened Saudi fears that its special relationship with the US, based on an exchange of oil for security, would irretrievably change. This has spurred discussions in Saudi Arabia about diversifying its security arrangements. However, there are no real contenders to replace the US, given Europe's limited will and capacity for engagement in the region and China's and Russia's lack of appetite for a regional security role. For all its talk of independence from the US, Saudi Arabia is likely to follow in the broad wake of US policy even if it attempts some form of hedging with other actors.

Saudi Arabia is likely to continue trying to present itself as the Sunni regional leader in the fight against instability, extremism and Iran's predatory actions. However, aside from overstating its capabilities, its new-found assertiveness is exacerbating sectarian tensions both domestically and regionally, and has marshalled few successes. Its contacts with Sunni tribes in Iraq have so far not encouraged an effective front against IS, and its military contribution to the anti-IS campaign in Syria has been limited, although valued for symbolising regional support.

Calls for a greater focus on toppling Assad have also been unsuccessful so far, although it looks like the US might agree to two of Riyadh's requests: a no-fly zone on the border with Turkey and increasing support to the moderate opposition. Given its continued zeal to get rid of the Assad regime, it seems unlikely that there will be détente with Iran, despite pledges by the foreign ministers of both countries to improve ties following their meeting in September 2014, the first since Iranian President Rouhani came to power.

In its immediate neighbourhood, although it has helped stave off revolution in Bahrain, constant low-level instability could prove just as disruptive to both the Saudi and Bahraini regimes. Riyadh also seems to have lost control over the Yemen file, as that country inches towards state failure and civil war. Riyadh's most solid looking front at the moment is with Egypt and the UAE.

Implications for Europe

Europeans have scant leverage over Saudi Arabia, but Europe should continue to support President Obama's efforts to sign a nuclear agreement with Iran, even more so after the extension of negotiations to June 2015. The decision to extend the interim accord poses significant risks as the Republican-led US congress is likely to try to impose further sanctions on Iran, which could jeopardise the talks, while Iranian hardliners could also pose obstacles. An important aspect of a successful deal will be selling its merits to the Arab Gulf states, which so far fear that a deal will come at their expense.

This is perhaps one area where Europeans could engage, given the lacklustre effort by the Obama administration so far to bring Saudi Arabia on board. France could use its strengthened relations with Riyadh to encourage a favourable reception by the kingdom of an agreement, especially since Paris has had the toughest position at the negotiations. Likewise, Europeans could lobby the US congress to refrain from imposing additional sanctions. A nuclear deal offers the best opportunity for the reintegration of Iran into the regional security system, perhaps opening the way for more engagement on areas of mutual interests, such as fighting IS, and on more contentious issues, such as Syria. Achieving a certain balance between Iran and Saudi Arabia could help minimise their competition by proxy, which has been so damaging to the region.

In Syria, Europe should support the United Nations' latest initiative for 'freezing' the war and open a dialogue with Iran on this issue. Iran is not adamant about the survival of the Assad regime, and the March 2014 four-point plan for Syria presented by Tehran included the decentralisation of power away from the presidency. While the distrust of Iran among regional actors is understandable, Saudi Arabia needs to understand that it is sometimes necessary to negotiate with your enemies. Tehran has signalled through statements by Rouhani that it may be ready to develop constructive relations on the regional crises, and this is an opportunity that Riyadh should seize.

In addition, Europe should voice its concerns over increased authoritarian practices that are suffocating civil society and leading to egregious human rights violations in the Gulf states and Egypt. Europeans, particularly France and the United Kingdom, should not let their commercial and security imperatives override basic human rights concerns, nor allow Gulf states to use the cover of fighting terrorism to crush any form of domestic dissent. Instead of just appealing to values, Europeans should frame their concerns along pragmatic lines related to regional stability; they should strongly communicate to Riyadh that repression will only breed further radicalism.

9. Egypt: the free-rider of insecurity

Kristina Kausch

Eight months into the presidency of Abdelfattah el Sisi, the outlines of Egypt's foreign policy show some notable shifts as well as elements of continuity. Following the one-year-ruling interlude of the Muslim Brotherhood's Mohamed Morsi, Sisi has firmly returned Egypt to its alignment with Israeli and United States (US) security interests in the Middle East. At the same time, Cairo's switch from US to Gulf financial patronage has reduced American leverage over Egypt. Egypt's military regime is among the main beneficiaries of disorder and insecurity spreading across the Middle East. In particular, Sisi's foreign policy aims to use growing anti-terrorism concerns across the region to improve his international and domestic standing.

A delicate balancing act

Sisi has vowed to restore Egypt's leadership across the Middle East, to diversify Cairo's foreign relations by building stronger ties with Russia and China, and to end Egypt's isolation in Africa. Egypt's key role as an intermediary in the Arab-Israeli conflict remains by far its highest-profile foreign policy dossier. Relations with Washington have been strained by US opposition to Morsi's ouster by the Egyptian army in 2013, and subsequent delays in arms deliveries and the suspension of much of the

annual \$1.6 billion military aid that had been providing the backbone of Egypt's military apparatus in recent decades. In turn, this has pushed Cairo into the arms of the Gulf states. Following the 2013 coup, oil-rich Gulf countries, including Saudi Arabia, Kuwait and the United Arab Emirates (UAE), provided over \$20 billion to pull Egypt's dire economy from the brink of collapse. Conversely, Cairo has been at odds with Muslim Brotherhood-friendly Turkey and Qatar (although – at the time of writing – a Saudi-facilitated reconciliation with the latter is underway).

Egypt and Iran have not maintained diplomatic relations since 1980, and no change is currently in sight. Relative estrangement from the US has also drawn Cairo closer to Moscow: at an August 2014 meeting in Sochi, Sisi and Putin discussed arms deals and political alignment on regional crises including Syria, where their non-interventionist, pro-regime stances converge. Overall, Sisi's foreign policy is largely geared towards preventing spill-over from neighbouring conflicts affecting domestic security, especially those in its immediate neighbourhood: the Israeli-Palestinian conflict and the ensuing civil war in Libya. Egypt has also positioned itself unequivocally on the conflict in Syria and the fight against the Islamic State (IS) – although Cairo is not a key player on either of those dossiers and its involvement has been more vocal than tangible.

The challenge for any Egyptian leadership on Israel/Palestine has been to balance Cairo's strategic alliance with Israel with domestic public opinion favourable to Palestine. Under Sadat in the 1970s, Egypt forged its image as a regional moderate and mediator between Arabs and Israelis. Since the 1978 Camp David Peace Accords, however, Egypt has strategically traded this mediator role for US security patronage, and used it to uphold its position as a key regional player – Cairo's most valuable geopolitical asset. Cairo has never been impartial in this mediating role, but motivated by its interests of containing Hamas in Gaza, preventing security spill-over across its borders, and protecting its influence in Palestine against other foreign powers.

After the ouster of pro-Hamas Morsi, the Sisi government was quick to restore long-standing Egyptian-Israeli security cooperation to secure their shared border and weaken Hamas. Furthermore, Cairo's position towards Hamas has reached unprecedented levels of hostility, matching Sisi's regional campaign against the Brotherhood whom he sees as a threat to domestic stability. In November 2014, Sisi even announced his readiness to deploy Egyptian troops in Gaza to reassure Israel. Sisi's hostility towards Hamas has diminished both Cairo's leverage over the latter and Egypt's relative influence as an intermediary in the peace process, although Egypt will remain a key (self-interested) broker.

As Libya's failing state, porous borders, arms proliferation, and growing extremism present an ever stronger security risk for Egypt, Cairo's tough handling of border security and militancy in Gaza is set to be replicated in Libya. In line with Egypt's domestic and regional intent to weaken Islamism, Cairo has joined those Gulf allies that share this desire in trying to tip the domestic balance in Libya in favour of the camp of General Haftar – who, backed by the Libyan parliament, is leading the military campaign against Islamist rebel groups. Egypt reportedly supported UAE airstrikes on Libya by ceding bases. Egypt's stronger engagement in Libyan domestic politics (which contradicts its regional discourse on sovereignty and non-intervention) alongside its Gulf allies is converting the Libyan conflict into a proxy battlefield for larger regional power competitions.

In Syria, Morsi had supported the Syrian opposition and cut ties with Bashar al-Assad, but after the 2013 coup, the Egyptian military regime was quick to change course. In spite of broad sympathy for the Syrian uprising among the Egyptian public, Egypt has mostly steered clear of direct involvement. As The Century Foundation's Michael Wahid Hanna has described, Cairo's more recent, limited behind-the-scenes efforts to strengthen dialogue between the moderate opposition and the regime in preference of a 're-engineered status quo' were high-

risk territory. Tangible Egyptian support to either faction in Syria risks angering either its financial patron Saudi Arabia (which opposes the Assad regime) or its nascent partner Russia (which supports Assad).

At the same time, joining the US-led international coalition against IS – at least vocally – has served Egyptian interests on many levels, by pleasing its main allies and patrons. More importantly, however, with IS now among the top security concerns of nearly all influential regional players, Cairo has the perfect underpinning for its regional anti-Islamist security discourse – which in turn has helped to maintain the domestic political status quo by keeping both domestic and international protest against human rights violations at bay. The brutality of IS rule in Iraq and Syria has been portrayed by Sisi as a warning of an imaginary Egypt under Islamist rule had the military not intervened. Cairo has been keen to present IS as part of the broader Islamist spectrum that includes the Egyptian Muslim Brotherhood. Although links between IS and the Muslim Brotherhood are tenuous, recent pledges of solidarity to IS by the militant Islamist extremist group Ansar Bayt el-Maqdis on the Sinai peninsula have helped back up Sisi's narrative.

Regional disorder, Sisi's best friend

The central rationale of the Sisi government's foreign policy is to ensure domestic stability and regime survival. This goal is translated into foreign policy via a non-interventionist, anti-Islamist positioning that seeks to maintain the regional status quo and increase Egypt's regional influence, while focusing on those dossiers in which Egypt has direct stakes and influence. Sisi's domestic approach of confrontation and repressive crackdown on political opponents of all political leanings contrasts somewhat with more nuanced behaviour abroad. While an anti-militancy stance has also informed Cairo's international strategy, Sisi has had to accommodate the need to build alliances with different regional actors with competing agendas (such as Russia and Saudi

Arabia in Syria). This tightrope walk has led Egypt to stay largely clear of those international crises that do not immediately threaten its domestic stability.

Cairo's military regime has been among the main beneficiaries of the recent proliferation of disorder throughout the Middle East. The renewed rise of jihadism in North Africa and the Levant has led to a reprioritisation of security in US and European Union (EU) Middle East policies, to the detriment of their erstwhile concerns about Egyptian domestic democratic standards. That seamlessly matches Sisi's attempted (and partly successful) positioning of Egypt as an island of stability in the midst of turmoil, a bulwark against extremism in the Middle East. Furthermore, changes in the regional power balance have seen Egypt shift from being a client of the US to being a client of the Gulf states, with significant political implications. Sisi's efforts to strengthen ties with Saudi Arabia, the UAE and Russia have further reduced Western leverage over the country.

Security threats spinning out of control in and around Egypt's borders could jeopardise domestic stability. But a persistent low level of insecurity, both domestically and across the region, is in Sisi's interest as it serves as justification for domestic crackdowns and ensures the financial and political backing of the most influential regional and international powers. The rise of IS and the re-securitisation of regional politics – essentially a renewed 'war on terror' – is likely to provide Cairo with a blank cheque for domestic repression, thereby probably cementing Sisi's power for many years to come.

However, the combination of demographic growth, economic stagnation and resource shortages could prove to be a time bomb for domestic stability. This, along with rising anger over Sisi's domestic clampdown on dissent, means that a major question mark is how long the Gulf states will be willing and able to provide Sisi with the means to buy time in the face of the Egyptian public. Egypt is more

dependent on foreign aid than ever before, and its main Gulf donor, Saudi Arabia, runs a largely arbitrary foreign policy and confronts an uncertain political succession scenario in the coming years. Against this background, a long-term continuation of the Cairo-Riyadh alliance that is currently Sisi's lifeline is all but certain. If, however, Egypt does grow into a long-term structural client of the Gulf states, their political leverage over Cairo is likely to be increasingly felt. Egypt's involvement in UAE airstrikes in Libya gave a taste of what such Gulf influence over Cairo (and by extension, North Africa) may look like.

Implications for Europe

Following the now-distant 2011 uprisings and the one-year Brotherhood interlude, under Sisi Egypt has slipped back into both authoritarian military rule and the role of regional stabilising mediator. Although clearly uncomfortable with the ethical implications of this arrangement in a post-Arab spring era, Europeans have been quick to come to terms with the re-establishment of the status quo ante with Egypt, as larger regional concerns have soared to the top of their agenda. As of today, Europe has lost most of its leverage over Egypt: Cairo does not depend on comparatively-small EU aid (the EU recently raised its ceiling for financial aid to Egypt from €450 to €600 million while Cairo's Gulf donors have contributed multiple billions) and is not interested in comprehensive free trade offers. But even if Europeans had more leverage, it is highly unlikely that they would use it to prioritise pressuring Cairo on democratisation and human rights in the present regional security panorama.

Containing a conflagration of jihadism and state failure across the Middle East and North Africa (MENA) is certainly Europe's most pressing interest, and there are currently few alternatives to a temporary prioritisation of regional security. At the same time, Europeans should reflect on whether they have learned any lessons from the Arab spring.

Western allies are currently rushing to extinguish fires that were lit by the exact same security-focused approach that kept successive authoritarian regimes (most notably in Egypt) in power over decades. True, Europe is not a game-changing actor in relation to Egypt, and (even combined with the US) European leverage is limited and fading. All this, however, should not prevent the Brussels-based EU institutions and European capitals from criticising domestic repression when it is due. Europeans are still well-positioned to expose and embarrass authoritarian governments that care for their international reputation – and Cairo certainly does.

In 2015, possible developments key to European interests in which Egypt plays a role include: further gathering of the current international momentum for the recognition of Palestinian statehood, and the dynamics it may unleash in the Arab-Israeli peace process; a deterioration of the political and security situation in Libya, including greater involvement of Egypt and other outside forces; and the evolving international fight against IS in Syria and Iraq, and militant jihadism more broadly, including its impact on regional security. In sum, the increasing securitisation of regional politics because of growing disorder will continue to feed the Egyptian regime's regional and domestic power.

