



Danish Institute for International Studies

In a Time of Crisis

Danish Foreign Policy in the Middle East and North Africa

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IN A TIME OF CRISIS

Danish Foreign Policy in the Middle East and North Africa

By Rasmus Alenius Boserup, Luke Patey and Hetav Rojan

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PREFACE

This policy report aims to provide the Danish Ministry of Foreign Affairs with an overview of major trends in the geopolitics of the Middle East and North Africa (MENA) and an analysis of the impact these trends may have on Danish foreign policy. The report consists of a short introduction in which we provide our key arguments, an introduction of the main priorities of Danish foreign policy in the MENA region, a short overview of the major trends in the current crisis that most directly influence Danish foreign policy options, and finally, a series of suggestions on how Denmark could adapt its foreign policy engagement in the region.

Our analysis draws on insights and ideas generated during a research project funded by the Danish Ministry of Foreign Affairs and implemented by the Danish Institute for International Studies. During the project, we have been in dialogue with relevant staff from the Danish Ministry of Foreign Affairs as well as the corps of Danish ambassadors to MENA. We also exchanged viewpoints with a number of Danish and international experts on MENA during a conference and series of roundtables in Copenhagen.

While the ideas presented here, and any errors or omissions, are our sole responsibility, as authors of the report, we would like to thank the participants for their inspiring contribution during these engagements (in alphabetical order): Cecilie Stockholm Banke from the Danish Institute for International Studies, Maria-Louise Clausen from the Danish Institute for International Studies, Michele Dunne from the Carnegie Endowment for International Peace, Bassam Fattouh from the Oxford Institute for Energy Studies, Stephen Grand from the Atlantic Council, Sune Haugbølle from Roskilde University, Dietrich Jung, from the University of Southern Denmark, Mehran Kamrava from Georgetown University's School of Foreign Service in Qatar, Kristina Kausch from the German Marshall Fund, Jakob Lindegaard from the Danish Institute for International Studies, Hans Lucht from the Danish Institute for International

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INTRODUCTION

After 15 years of active foreign policy engagement in the Middle East and North Africa (MENA), Denmark now faces some hard strategic choices. In the decades after the 9/11 terrorist attacks, the United States served as Copenhagen's strategic guiding light when planning foreign and security policy in the region. Today, the US should be less of a reference for Denmark. Looking back, American-led military interventions have had devastating consequences for regional and domestic security and stability. The erosion of the state structures in Afghanistan Iraq, Yemen and Libya have increased trans-border migration and transnational terrorism. Looking forward, the hawkish shift in US foreign policy under President Trump is at odds with broader European foreign policy positions – in particular regarding the Israeli-Palestinian conflict and the handling of Iran's regional ambitions. Denmark should therefore look for ways to replace its support for American warfare in the region with alternative security engagements.

In contrast to its long-running pro-American position on military intervention, the high-profiled foreign policy initiatives that Denmark has launched, including the government's acclaimed democratization programme, the Danish-Arab Partnership Programme, and its more recent attempt to boost economic development through trade and investment, enjoy broader support in the region. These foreign policy initiatives arguably hold a potential to contribute positively to regional political and economic development. However, there are considerable security and political challenges. In the wake of the Arab uprisings in 2011, the region has entered perhaps the worst security situation since the European decolonization in the mid-20th century. Several Middle Eastern and North African states are struggling to survive. In the cases where state institutions persist, repression of civil society and free enterprise is at an historically high level. In tandem with this development, jihadism and other forms of militancy have spread. Moreover, regional powers have engaged in bitter proxy wars over hegemony and influence.

In the face of these challenges, and as Denmark is drawn increasingly into its own immediate geopolitical neighbourhood by an emboldened Russia that is testing the limits of European resolve in the Baltic Sea and the Arctic, Denmark could be tempted to look for ways out of the MENA region altogether. Important voices in Danish foreign policy could be seen as contemplating this idea. Both the recommendations from the "Taksøe" foreign policy report from 2016 and the propositions stated in the 2018 Danish defence agreement, which suggests that Denmark should give precedence to the threats emerging in its immediate neighbourhood, particularly the Baltic Sea and in the Arctic, could be read in this way.

Yet none of these initiatives concludes that Denmark should downscale its activities in MENA, and together with the Danish government's June 2017 foreign policy strategy paper, further engagement in the MENA region appears unavoidable in order to tackle ongoing threats against European stability and security posed by global terrorism and transnational migration emerging from the region.

This policy report argues that it would be a strategic mistake for Denmark to deter from its active foreign policy engagement in MENA. The region is likely to continue to generate challenges to European and Danish security and stability in the coming decade in the form of transnational jihadism and trans-border migration. As a neighbouring region to MENA, the European community cannot afford to ignore the region's problems, which have all too often resulted in broader international consequences. The policy report suggests, however, that the current conjunctures in the region and internationally call for some strategic rethinking and adaption regarding how Denmark specifically should engage in the region. The report stresses the need for Denmark to shape its own unique approach, at times even outside of Washington's orbit, and alongside its European allies.

Denmark should replace its current profile as a country providing quick and strong military support to American-led interventions in the region with a more cautious and prepared approach to security engagement. Ideally, Denmark should replace its American collaboration with an increased European engagement in defence and security. In the long run, this may require the Danish parliament to roll back the current opt-out on defence and security collaboration within the EU. Alternatively, it could be done in the form of strong Danish participation in European security coalitions outside the EU framework.

Denmark should continue to channel support to initiatives that build peace and stability, such as peacekeeping, disaster relief, trade and investment, and local development. In this perspective, Denmark could look for ways to garner support from within the European Union to repair broken regional institutions or build new ones that can help settle conflicts and calm power rivalries in the MENA region.

Denmark should also continue its past support for democratisation and good governance. While challenged by hardening authoritarianism, such initiatives have proven to offer pocketed, but genuine benefits, and to help keep civil society alive in situations of state repression targeting population groups seeking to advance political and economic freedoms and rights.

Economic diplomacy can also aid these efforts by offering opportunities for the region's young and growing populations. However, Denmark needs to define more closely the specific countries and sectors where Danish business holds comparative advantages, and take into account how changing geopolitics in the region, such as China's growing economic reach, introduce new opportunities for cooperation and competitive challenges.

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(Denmark) الدنمارك
(intervention) تدخل

THE DANISH FOOTPRINT

Denmark's foreign policy engagement in MENA is fairly new compared to other European powers. While the demise of the Soviet Union in 1989 provided an opportunity for Denmark to become a more active player in international politics, the MENA region was not a major playing field for Denmark during the 1990s. It was the American foreign policy response to the attacks by Al-Qaida on September 11, 2001, that prompted Denmark to engage more broadly in the region, and today, a decade and a half later, the majority of Denmark's foreign policy instruments originate from this post-9/11 time. If we take the overall objectives for Denmark's foreign policy efforts in the MENA region as guiding principles, we can group the Danish efforts in the region into three broad categories: Efforts aiming to enhance the security and stability of Denmark and its close allies; Efforts aiming to increase Denmark's soft power through democracy-promotion; Efforts aimed at stimulating Danish trade and investment.

Enhancing Security and Stability

Denmark's efforts to enhance its domestic and international security and stability through its foreign policy in the MENA region have had a prominent military component. Denmark contributed to the US-led military interventions to topple the Taliban in Afghanistan (19,199 troops deployed from 2002 to 2017), Saddam Hussein in Iraq (5,500 troops deployed from 2003 to 2007) and the NATO-led air campaigns against the forces of Muammar Gaddafi in Libya (2011). More recently, Denmark has taken part in fighting jihadist groups affiliated with Islamic State in Syria (2014-today).

Outside the immediate policy aims of these interventions, they also aimed at a broader level to strengthen Denmark's international security alliance with the United States and to compensate for the opt-outs, which since the Edinburgh Agreement in 1992 have hindered Denmark in participating in European security and defence policies as well as citizenship, police, justice and the Euro. In order to show support for

the American superpower and to compensate for its inability to participate in broader European defence collaboration, over the past decades Denmark has developed an ability to serve as a “first-mover” responding to requests for military and policy support to intervene in the Middle East and North Africa. In this capacity, Denmark was among the first European countries to provide military intervention in Afghanistan, Iraq, Libya and Syria, and in some of these missions, it has endured more per capita losses than even the US. These Danish military contributions were all given a robust mandate by a near-unanimous Danish parliament. Moreover, in its most recent strategic document published by the Danish government in June 2017 under the title *Denmark’s Foreign and Security Political Strategy for 2017-18*, the government vowed to continue to provide military assistance to the US-led fight against Islamic State.

Closely related to Denmark’s security efforts are its efforts to enhance European stability by curbing migration and supporting humanitarian aid and development assistance. In this capacity, Denmark has invested hundreds of millions of dollars in stabilizing and developing Afghanistan, Iraq, Yemen and Palestine since 2000. The more recent collapses in Syria, Yemen, and Libya have further increased Denmark’s stabilization efforts, including increased funding for refugee camps and provision of humanitarian assistance. Indeed, over the past few years, Denmark has been at the forefront when it comes to funding humanitarian and disaster relief efforts in the region. Further to the so-called European “refugee crisis” in 2014, Denmark also boosted its funding of European border management initiatives in a bid to curb undocumented migration and refugees from the region. In its 2017 strategic document, the government vowed to continue funding for the stabilization of Syria, to boost economic development assistance as a tool to combat the drivers of migration, and to support increased border control by the EU and the powers in the region. In particular, the Danish government vowed to address drivers of migration across the Mediterranean Sea and created a new position within the ministry; special representative to the Sahel-Maghreb regions.

Promoting Democracy and Freedoms

Denmark’s efforts to increase its global soft power by promoting democratic values and norms through its foreign policy in the MENA region have primarily been under the framework of the so-called Danish-Arab Partnership Programme (DAPP).

The programme targets civil society organizations, but has also occasionally targeted reform-oriented state actors and institutions. Besides aiming to achieve its immediate goal to support democratic development and reform, these efforts have arguably also had a security dimension by targeting the autocratic institutions believed to

be among the root causes behind global jihadist mobilization and migration out of the Middle East and North Africa. Efforts have, furthermore, aimed to boost Denmark's standing in the region by fertilizing a set of broad norms and values that shifting Danish governments have presented as being particularly "Danish" and "democratic".

While the specific priorities have changed over time, since its inception in 2003, DAPP has remained a key instrument in Danish foreign policy in the Middle East and North Africa. Denmark's 2017 strategic document stipulates that, through to 2018, Copenhagen will continue supporting freedom of expression, access to information, and transparency under this framework. There is also a pledge in the strategic document to continue support for human rights and democratic participation in the Middle East and North Africa, singling out promotion of girls' and women's rights to self-determination.

Stimulating Trade and Investment

Finally, Denmark has aimed to increase trade and investment through its foreign policy in the Middle East and North Africa. Over the past decade and a half, Denmark has generally increased the instruments at hand for this endeavour by opening additional trade embassies and by co-financing business development programmes aiming at generating economic growth both abroad and at home.

The new Danish Foreign Policy strategy is centred on advancing economic diplomacy. In the MENA region, this strategy stipulated that Denmark would continue to create competitive conditions and opportunities for Danish businesses through public-private partnerships and EU-led free trade agreements. Denmark opened an embassy in Algeria with the aim of enhancing regional trade relations and plans to open an Innovation Centre in Tel Aviv with the aim to strengthen Danish businesses' interaction and research endeavours with the regional technology start-up scene.

Finally, Denmark's aim to enhance its economic diplomacy does not exclude leveraging economic opportunities in risk-prone countries, where trade and investment can also bolster Danish support to end conflict and relieve poverty as part of the UN Sustainable Development Goals. This includes potential overlap with Denmark's political and security goals by creating alternatives to radicalisation through economic growth and lowering violent extremism and migration.

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(autocracy) استبداد
(war) حرب
(oil) بترول

TRENDS IN THE TURMOIL

Among the cultural, social, political and economic trends currently unfolding in the MENA region, three in particular have a strong impact on Danish foreign policy: rising instability and insecurity, restoration of authoritarian governance, and volatile economic performance.

Rising Instability and Insecurity

The MENA region is in a state of profound security crisis. Since the Arab uprisings in 2011 set in motion a series of fierce domestic and regional power struggles, instability and insecurity have been on the rise.

At the national level of politics, a central driver behind the rising instability is the weakening of a number of MENA states. The civil-war-torn countries like Yemen, Libya, Syria and Iraq most clearly illustrate this trend of collapsing state authority and the inability of governments to rule the territories and populations formally under their jurisdiction. Here, the state, the police, and the military have lost their monopoly on violence, just as legal and fiscal systems, and the bureaucracy have deteriorated. As a consequence, local security, protection, justice, policing and administration are often provided by non-state or sub-state actors like militias, armed gangs, warlords, and terrorist organizations.

Eroding state capacity, albeit in less pronounced forms, is also found in Egypt, and to an even lesser extent in Tunisia, Lebanon, Morocco and Jordan. In Egypt, for instance, in spite of a massive surge in state-orchestrated repression, the government has been unable to regain control over armed insurrection in Northern Sinai and unrest simmers in the Nile Delta, the Nile Valley, and the Western Desert.

Closely linked to trending proliferation of sub-state actors, are the increased activities of supra-state or transnational actors. By transgressing the institutions of national, regional and international order in MENA, these transnational non-state

actors, such as global terrorist networks and undocumented global human smugglers, have increasingly come to threaten security and stability outside the region.

Regional dynamics have also contributed to the current spike in instability. The two regional rivals, Iran and Saudi Arabia, are in a protracted struggle over geopolitical influence and the shape of the security architecture of the region. Two threats have emerged from this regional conflict and tension. First, the competition has upset prospects for conflict resolution in the neighbouring collapsed states. Saudi Arabia and Iran's well-documented policies of arming and funding local proxies have exacerbated civil wars and state erosion in the region. Second, regional tensions have shuttered the potential for regional institutions and platforms for collaboration and integration. While the region has never had an institution capable of bringing all the countries together, one of the more worrying challenges has been the breakup of the Saudi-dominated Gulf Cooperation Council due to the conflict between Qatar and the United Arab Emirates. While often problematizing regional affairs, prior to its current paralysis, the GCC was one of the region's few sub-regional institutions with members capable of acting in concert. Consequently, its breakup suggests further challenges to regional integration and collaboration.

At international level, the most defining trend has been American unwillingness to continue acting as a regional hegemon in MENA. After persistently seeking a role as the sole power capable of defining major political and security outcomes in the region for half a century, the past decade has seen a trend among US presidents to change the American presence in the region. Following the negative experiences in Afghanistan and Iraq with the regime change policy of President George W. Bush, since 2006 the American administration has publicly stated its intention to retrench and reshape its presence in the region.

For President Obama, the aim of the retrenchment was to pivot to Asia to enable his administration to shift the gravity of its focus to an expected confrontation with a rising China. President Obama's strategy relied on an attempt to neutralise threats from Iran towards traditional US allies in the region, such as Israel, Saudi Arabia, the GCC states, Jordan and Egypt, by normalizing US relations with Tehran.

With this aim in mind, the Obama administration persistently abstained from intervening massively and militarily in the conflicts raging throughout the region. The United States did participate in the NATO intervention in Libya, but only "from behind" as President Obama put it. When the Assad regime in 2013 blatantly ignored both US warnings and international law by using chemical gas in its shelling of inhabitants and insurgents in the Ghouta neighbourhood outside Damascus, the US abstained

from intervening militarily and instead relied on its support for anti-Assad Syrian rebel groups. When finally the United States did intervene in the Syrian conflict in 2014, as elsewhere in the region it was primarily to perform anti-terrorism operations targeting groups, networks, and actors believed to pose a threat to the United States directly. It was not to serve as a regional hegemon.

While Obama's reshaping of the American geopolitical presence in the region was received with outrage and worry among traditional US allies such as Saudi Arabia, Israel, and Egypt, Russia skilfully filled a number of the voids left behind by the US. By engaging with a minimum of resources and a maximum of risk-willingness, over the past few years since 2014 an emboldened Russia has carved out a place for itself as an unavoidable player in the major conflicts in the region. While this is best known from the Syrian case, where a conflict resolution today seems dependent on Russia's willingness to pressure its allies, Russia has also sought to increase its leverage and influence in both Libya and Egypt.

Since 2017, however, President Trump has persistently rolled back the policy initiatives made by Obama. Trump has rebuilt alliances and trust with the Saudis. He has improved relations with the Egyptians. He has hammered out a strong strategic alliance with Israel by going further than any previous US president in accommodating the Israeli position in its conflict with the Palestinians – symbolically seen in the recent recognition of Jerusalem as the capital of Israel and concretely in the US blockage of any UN Security Council resolution criticising the Israeli killings of more than 100 Palestinian unarmed protesters during the spring 2018. Finally, but perhaps most significantly, Trump has abandoned the international agreement that since 2015 has released Iran from the international trade sanctions in return for refraining from developing enriched uranium for warfare purposes. Due to these moves, American intervention and warfare in Iran can no longer be ruled out.

Restoration of Authoritarianism

Over the past few years, the prospects for democracy in the MENA region have changed remarkably. While the Arab uprisings in 2011 raised expectations that a "fourth global wave" of democratization was about to hit the region, the outcome of the process proved disappointing. The majority of the "transition" countries – Tunisia, Egypt, Libya and Yemen – where autocratic rulers were removed from power during the spring of 2011, have since 2013 seen a host of setbacks against possible democratization and neglect of civil, political and human rights more broadly. While a country like Egypt has seen a full-fledged military dictatorship re-imposed at the expense of mass repression of political actors and civil society alike, a country like Tunisia remains more open, in spite of authoritarian setbacks and restorations of

policy and intelligence practices known from before the “revolution” in 2011. In Libya and Yemen, the collapse of domestic political order under the pressure from regional and external military intervention, and the prolongation of power struggles between various types of militarized non-state actors have in many instances destroyed civil politics altogether.

Regional political dynamics have contributed substantially to this authoritarian restoration. In spite of their internal competition over regional dominance, Iran and Saudi Arabia do agree on opposing liberal democratic governance in their neighbourhood. None of their proxies, whether in Iraq, Lebanon, Syria, Yemen or elsewhere have displayed anything but occasional token respect for democratic governance norms and values.

In international politics, President Trump has deviated significantly from his predecessors on promoting good governance and fundamental rights. While both President Bush (in his second term) and President Obama worked to decrease the American presence in the region, they continually defended democracy and human rights – albeit often only rhetorically, and in neglect of the political conditions of close allies.

President Trump has done the opposite. While arguably getting more involved in some conflicts, he has praised autocrats inside and outside the region, and flouted political rights and norms at home and abroad.

Within the European Union, there are still a few – primarily Scandinavian – countries likely to take a firm stand on rights and democracy. Yet with Great Britain’s coming exit from the EU, and increasing popular pressure on political leaders in Italy, France, and Germany to curb immigration, promotion of the rule of law and democracy has seen decreasing support. Indeed, some Eastern and Central European Member States like Hungary and Poland seem openly to oppose the democratization agenda.

Finally, the increased importance of Russia and China in the geopolitics of the MENA region is likely to further counterbalance any international pressure for democratization.

Volatile Economic Performance

The region’s economic prospects face a series of challenges. Over the past four years, the decreasing performance of rentier economies stands out. From Algeria to Iraq, and Saudi Arabia to the United Arab Emirates, the region’s dependence on global oil prices presents a structural liability. In the short run, the MENA region remains

overly dependent on oil and gas resources and prone to volatile changes in global commodity prices. The dangerous macroeconomic consequences of this reliance became clear once again in mid-2014 with the steep drop in international oil prices. In the following two years, with global prices failing to recover to their previous highs of over \$100 per barrel, oil-exporting countries in the region experienced large economic contractions and a fall in government revenues by an average of over one-third.

In response to decreasing oil prices, the energy-rich GCC states, particularly Saudi Arabia, have renewed calls for fiscal tightening, privatisation, and diversification into high value industries, and they have launched ambitious programmes to this end. While it is important to recall that such efforts have fallen short in the past, and rising oil prices in 2017 and the first half of 2018 offer a disincentive to reform, there remains uncertainty towards global oil demand in the long run. For instance, policy interventions in large consumer markets to tackle climate change will keep the reformist agenda alive among GCCs that are looking to improve efficiencies in the public sector and privatise parts of their economies.

In other countries in the region, particularly Egypt, spiking demographic growth is driving the urgent need for economic growth and new jobs in manufacturing and other sectors. High youth unemployment, large, ineffective public sectors, and a lack of private sector reforms still burden many economies and present a threat to political stability and security.

The MENA region is also witnessing the arrival of new foreign powers, particularly China, but also India, Turkey, and others, as key economic players. Over the past decade, China has emerged as a significant economic partner that over time, particularly considering its large dependency on the region's energy exports, will develop into geopolitical influence. In recent years, China has become more important than the US as a larger trading partner for many MENA economies, including Saudi Arabia, the UAE, and Iran.

Outside but interconnected with its energy interests, China's Belt and Road Initiative, a \$1 trillion foreign policy strategy to develop infrastructure and trade routes from China to Europe, places the Middle East as a central hub. The United Arab Emirates is emerging as a major partner in the initiative, with Chinese shippers investing deeply into Abu Dhabi ports, with many goods re-exported to Europe.

China seeks a stable MENA to sustain and grow its trade and investment and has traditionally balanced its relations to hedge against outcomes in conflicts and re-

gional rivalries. However, more recently, Beijing has demonstrated a stronger diplomatic presence in the region's conflicts, straying away from its longstanding foreign policy of non-interference. And from the Horn of Africa to South Asia, China's expanding economic interests have been trailed by a growing military presence, with a new military outpost established in Djibouti.

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السلام
تقدم
ديقراطية

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(development)
(democracy)

STRATEGIC ADAPTATION

The combination of changing trends in international politics and in the current political and security crisis in MENA has thrown Denmark's foreign policy in the region into uncharted waters. Today, there is a new need for Denmark to rethink and adapt its foreign policy priorities to enhance security and stability for Denmark and its allies, increase Denmark's soft power, and stimulate its trade and investments.

Rethinking Security and Stability

The crises and geopolitical shifts in Middle Eastern and North African politics raises questions about Denmark's ability to pursue its foreign policy objectives in the region. For the past decade and a half since 9/11 2001, Denmark has participated in a number of American-led wars without paying too much attention to the outcomes of these wars in terms of peace and stability. This approach to warfare and interventionism may be explained in part as compensation for Denmark's opt-out from the European defence collaboration and as a foreign policy gamble in which Denmark confirmed its security alliance with the US, in the hope that it would be reciprocated through foreign policy and security support.

Today, however, Denmark should rethink the strategic calculation that prompted it to take up this role as a war-willing small power engaging militarily in global politics on the back of the US. There has long been a broad consensus among experts and scholars that the US-led military interventions in the MENA region did not bring about national, regional and global security, stability, and progress. In contrast, the American-led and European-led interventions largely contributed to destabilizing Afghanistan, Iraq, and Libya just as the prolonged drone campaigns in Yemen have rendered the state more fragile and provided a basis for further mobilization of transnational jihadists in Al-Qaeda and Islamic State. This destabilization has, in turn, along with repression by local autocrats of activists, movements and political actors associated with the Arab Uprisings in 2011, contributed to sparking the refugee

flows that today – rightly or wrongly – are perceived by a host of European allies to the United States as a key threat to their internal stability and prosperity.

Second, the arrival to power of Donald Trump seems to have undercut Denmark's strategic gamble. President Trump has steered US foreign policy in a hawkish direction, and the US president is seemingly willing to risk established international alliances with traditional allies and small states like Denmark in favour of bilateral partnerships with regional powers. Trump's foreign policy in MENA is therefore at odds with the core priorities of the European Union and several major European powers. This has been particularly clear with regards to exiting the Iran nuclear deal and with regards to the Israeli Palestinian peace process.

For the European Union, and for individual European powers like Great Britain, France and Germany, the Iran deal offered a double benefit. Firstly, it alleviated the prospect of Europe having to deal with the effects of yet another international military intervention in the Middle East in the form of surges in refugee flows and new threats from transnational and global insurgent and terrorist groups. And secondly, it provided European companies with direct access to trading on Iran's challenged, but large and potentially lucrative market. For the very same reason, throughout 2017 and 2018, European leaders, including France's Macron, Germany's Merkel, Great Britain's May and the EU's Mogerini have been looking for ways either to keep the Iran agreement afloat without the US, or to pressure the Trump administration into reconsidering its exit.

European powers are also uncomfortable with the blatant deviation from past US policies in the Israeli-Palestinian conflict. In contrast to the US, European populations and political leaders have long been less inclined to provide unconditional support for Israel's occupation and disproportionate repression of the Palestinians. While unable to change the power balances in the conflict, European leaders have looked with scepticism, and in some cases condemnation, at the Trump administration's outright siding with the Israelis in the conflict. For most European leaders, this shift in US foreign policy is likely to further exacerbate rather than curtail the conflict.

The Trump administration's deviation from former President Obama's position, and from the broader European consensus on these and related Middle East policy issues, is a major challenge to Denmark's foreign policy. If Denmark continues to uphold its current "special relation" with the American superpower by automatically providing quick support for US military interventions and foreign policy priorities, Denmark risks alienating its European and broader Scandinavian partners and allies.

Unlike the early 2000s, when Great Britain made room within the EU for the Danish policy position, and unlike the latter half of the 2000s and 2010s, when President Obama's priorities aligned well with major European powers, if Denmark continues to support the current American policies today, Denmark will stand increasingly isolated on these issues in the European community.

Denmark must therefore consider alternatives to the pro-American military interventionist foreign policy. There are, of course, worrying challenges and threats embedded in such adjustments. If Denmark deviates too strongly from displaying loyalty towards the US, there is a risk that its strategic gambles will backfire. At a time when Russia is testing European resolve in the Baltic Sea region and the Arctic, when China's political influence is growing in Europe and the Middle East, and when the European Union is undergoing an unprecedented crisis of trust, Denmark cannot afford to take too strong risks with its relation with the US.

The most promising alternative for Denmark is therefore to downscale its pro-American interventionism in the MENA-region while upholding its NATO-obligations through multilateral security cooperation in a European or a UN framework. Within the UN, Denmark could increase its military contributions to peacekeeping missions abroad. Within a European framework, Denmark could contribute to the increasing European security collaboration outside the EU – for instance by supporting the recent French proposition to create a European military intervention force outside the EU framework. Ideally, however, Denmark could consider relieving itself from the restrictions on its EU security collaboration imposed by the opt-out in 1993 through a referendum. This would allow Denmark to become a full member of the increasing security collaboration within the EU framework.

In parallel with this, Denmark could further increase its engagement in international peace brokering, trade and development, and disaster relief. This would both serve as a tool to manage the unintended negative consequences of the military interventions that Denmark has supported over the past decade, and it would provide Denmark with more independent foreign-policy room to manoeuvre in a series of areas that could contribute directly to improving European and Danish security and stability.

Such initiatives could include dialogue and conflict resolution initiatives in Libya, trade and development engagements in Algeria, Morocco and Tunisia, disaster relief in Syria, Yemen, and Iraq, as well as health and education initiatives in a host of the less developed countries like Egypt.

Finally, Denmark could consider venturing into the complicated but important arena of regional power politics in the Middle East and North Africa. The ever-increasing escalation of competition and rivalry between the surviving great powers in the region – and notably between Iran and Saudi Arabia and their proxies and allies – is perhaps one of the most worrying trends in the current crisis. This is aggravated by the lack of well-functioning regional mechanisms of inclusion and collaboration. While Denmark cannot possibly convince regional powers to accept political compromises and make historic peace deals, Denmark could consider taking a leading role in some of these initiatives within the EU, preparing, funding, and hosting international dialogue and peace-building efforts, possibly in tandem with other Scandinavian countries.

Continuing Democratization Efforts

Denmark's support to the spread of democratic norms and values in the MENA region faces a host of challenges. In the international arena, Denmark's option to be a banner carrier for the promotion of democratic reform has become increasingly marginal. The current conditions of decreasing American and European support for the promotion of democracy and fundamental rights in MENA puts Denmark in a difficult position. Denmark is obviously too small to lift the burden alone. If it was hard to imagine that the West in concert could influence the political order in the region towards democracy, it is almost impossible to imagine such influence without the United States, Great Britain, France and Germany, and with an emboldened resistance from several Central and Eastern European EU Member States. Denmark is therefore also likely to stand relatively isolated with this agenda supported primarily by some North European small powers like Norway, Sweden and Holland. These countries will of course not be able, alone, to reverse the current trend of autocratic restoration inside and outside the region.

These efforts should not stop Denmark from continuing its democratization and good governance programmes in MENA region. In contrast to Denmark's participation in military interventions in the region, Danish efforts to promote democracy and fundamental rights have generally been evaluated positively by scholars and experts. Indeed, there is a consensus among such experts that, in spite of suspicion in the region of efforts that may sound as neo-colonial suggestions that Europe has a superior political culture that the Arab societies and states would benefit from imitating, the Danish democratization efforts have been received rather positively in the region. They have also been successful in supporting compartmentalized but endogenous Middle Eastern and North African pockets of resistance to autocracy, state control and repression.

There is, furthermore, a general consensus that the Danish democracy and reform promotion efforts align well with a major lesson learnt during the Arab Spring: That the majority of the Middle Eastern and North African populations aspire for democracy and fundamental rights, that they are willing to run considerable risks for these if there is just a slight chance of success, and that the autocratic rule in the region, in consequence, is inherently unstable and fragile.

Denmark should therefore continue democracy promotion, despite the rather unfavourable conjunctures. Doing so should, however, be based on a position of strategic patience. For now, autocracy prevails in many Middle Eastern and North African countries. Many of the autocrats in the region enjoy financial and military support from regional and external powers. A continued Danish democratization programme should take this as its point of departure and then reassess its aims. But such a programme should not be closed down. Rather it should strike out flexible, low-key initiatives and continue to work through local partners for as long as possible. In cases where opportunities close in one place, the Danish democratization programme should be relocated to more favourable places, preferably but not necessarily within the region.

Targeting Economic Diplomacy

Denmark's economic engagement in the MENA region is a story of untapped potential. Since 2005, Danish exports to the region have doubled. With a population of over 500 million, and considerable wealthy economies among the GCC states, MENA is an emerging market for Danish food products, shipping, pharmaceuticals, renewable energy, as well as water, sanitation, and environment projects, such as energy conservation. Yet in recent years, after reaching new highs, export levels have stagnated. In 2016, according to the World Bank, the region only accounted for roughly 2.5% of Denmark's total exports.

Denmark's recent foreign policy strategy calls for prioritization of political-commercial advice and guidance for Danish businesses and sector specialisation. However, the intentions of the strategy still match poorly with the perceptions of Danish businesses towards the region. For Denmark to re-energize its economic engagement, perceptions of the MENA region as overwhelmingly impacted by political instability and conflict need to change. Many Danish businesses, the majority of which are small and medium sized enterprises, fail to recognize opportunities because they view the perceived challenges as insurmountable.

Well informed on political and security trends, the Danish Ministry of Foreign Affairs should develop a keener sense of the political economies and investment climates of large markets in the region. Lessons should be learned from both lost investments, including the now defunct Maersk Oil exit from Qatar in 2016, and pioneering projects, such as Novo Nordisk's manufacturing plant in Iran. The advantages for Danish businesses in the MENA region need better definition for economic diplomacy to work effectively. How Danish economic diplomacy can leverage trade and investment, and how in turn, this trade and investment might advance political and security goals, needs further analysis. Such policy precision is necessary because opportunities in the MENA region, while present, are not as large as other emerging markets, such as ASEAN.

With limited time and resources, the Danish Ministry of Foreign Affairs will need to prioritize and target a small group of countries and sectors to advance Danish trade and investment goals. Matchmaking large MENA companies with Danish firms, through such engagements as export promotion visits, can help dispel negative perceptions of the region, and increase the ease of doing business, with local partners having a better sense for the bureaucratic hurdles that dissuade Danish business.

For example, finding points of entry through potential diversification in Saudi Arabia and other GCC states presents an opportunity for Danish investments in education and vocational training, as the MENA region is looking to increase productivity. The region's economies are developing, and demand for high-quality Danish goods can grow over time, but only if a basis for long-term market access is established now.

Ensuring equitable growth and job creation for the region's young and growing population rests at the core of stabilizing the fractured political environment in many countries. But linking Denmark's economic diplomacy with its development and migration goals in MENA can be difficult since trade and investment opportunities are primarily in oil-rich and gas-rich GCC states, not those affected by conflict. Expanding economic cooperation with transit countries on migration routes offers an alternative, but this may not easily overlap with democracy and rights goals.

China's growing investment presence introduces a new collaborator but also competitor for Danish business. China's Belt and Road Initiative may increase trade connectivity within MENA and between China's global partners. However, as Chinese economic interests in the region grow, and its energy security at home and investments in the region come under further threat by conflict, Beijing will flex its growing geopolitical muscle. Its positions on politics and security may challenge those of Denmark and the European Union, particularly on democracy-promotion and human rights.

Finally, in a further demonstration of how geopolitics is impacting economics in the region, the Trump Administration's decision to withdraw from the nuclear deal with Iran, the Joint Comprehensive Plan of Action, puts European business opportunities in the large Iranian market in jeopardy. This is another indicator of how the evolving American foreign policy course in the MENA region can run in opposition with Danish and European interests. Denmark and the European Union may find that their interests fail to fully align with either the United States or China, (not to mention, Russia) and may have to strongly consider a more deliberate European foreign policy approach to the region.

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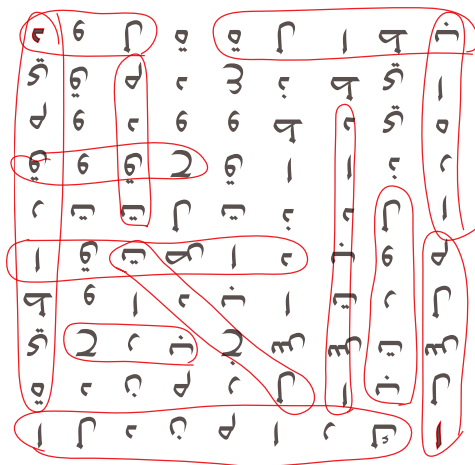
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Title: Solve The Middle East

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Denmark faces hard strategic choices in the Middle East and North Africa. Since the 9/11 terrorist attacks, the United States acted as a guiding light for Copenhagen on foreign and security policy in the region. Today, major US policy decisions under President Donald Trump offer less of a reference, standing at odds with European foreign policy positions.

In the face of these broad shifts in international politics, and considerable security and political challenges in the region, this report stresses the need for Denmark to shape its own unique approach, working closer with its European allies on security, supporting strategic democratization and good governance programmes as a buffer against hardening authoritarianism, and harnessing economic diplomacy to aid these efforts by offering opportunities for the region's young and growing populations.

It might be tempting to look away and disengage from a region undergoing such turmoil, but from transnational jihadism to trans-border migration, the Middle East and North Africa will continue to generate significant challenges to European and Danish security and stability in the coming decade. It is time for Denmark to rethink its strategic approach and adapt to a world and region in flux.

