MED

MEDITERRANEAN DIALOGUES

BUILDING TRUST:
THE CHALLENGE OF
PEACE AND STABILITY
IN THE MEDITERRANEAN

REPORT

SCIENTIFIC COORDINATION
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PREFACE

Four years after its launch, Rome MED – Mediterranean Dialogues has established itself as an annual conference and global hub for high-level dialogue aimed at enhancing debate among policy-makers and experts around current trends and challenges stemming from the Mediterranean region. The goal is to lay the groundwork for mutual understanding and trust building among regional actors, as a prerequisite for drafting a positive agenda.

The third edition of this Report offers a vast array of insights, data and analyses on political, socio-economic and security dynamics unfolding throughout the region. In particular, the first section of the Report focuses on positive trends and achievements brought forward by regional actors. It also provides policy recommendations to strengthen these positive dynamics, with a view to further improving the socio-economic, political and security contexts in the Mediterranean basin. The second section turns the spotlight on the main security, political, economic and cultural challenges the region is currently facing.

This Report was made possible also thanks to the fruitful cooperation and insightful contributions of our Research Partners: Al-Ahram Center for Political and Strategic Studies; Al Sharq Forum; Bruegel; Carnegie Middle East Center; Centre des études méditerranéennes et internationals (CEMI); Jordan Center for Strategic Studies (CSS); the Royal Institute of International Affairs (Chatham House); the Deutsche Gesellschaft für Auswärtige Politik (DGAP); the European Council of Foreign Relations (ECFR); the European University Institute (EUI); the Institut Français des Relations Internationales (IFRI); Middle East Research Institute (MERI); OCP Policy Center; and the Think Tanks and Civil Societies Program (TTCSP) of the University of Pennsylvania.

I am deeply grateful for each and every scholar and expert's contribution to this Report, as I am convinced that their valuable efforts and perspectives are key to a more comprehensive understanding of the prospects and policy options for the Mediterranean region.

Paolo Magri
ISPI Executive Vice President and Director

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PART ONE

POSITIVE TRENDS AND OPPORTUNITIES

The Caliphate's defeat: the future of Iraq

Dlawer Ala'Aldeen

President of the Middle East Research Institute (MERI)

It was 10 June 2014 when the Islamic State (IS) overran Mosul, soon to be followed by most of Iraq's Sunni-, Yezidi- and Christian-majority cities and towns in the provinces of Nineveh, Kirkuk, Salahaddin, Diyala and Anbar. Three weeks later, Abu Bakir al-Baghdadi declared the so-called "Islamic Caliphate". It took the Iraqi armed forces, Kurdish Peshmerga and the international coalition over three years of bloody and highly destructive combat to liberate the country's IS-occupied territories. Finally, on 9 December 2017, the Iraqi Prime Minister formally declared the end of IS in Iraq, and opened a new chapter towards a more "peaceful, prosperous country". However, few believed those military victories would be the end of IS.

New phase, old tricks

IS originally grew out of an insurgent movement that started years before they occupied Mosul, and the organisation was well prepared for a return to previous guerrilla tactics even before the fall of their Caliphate. Now, almost a year later, they are believed to have retained an estimated 10,000-15,000 fighters in Iraq alone with significant armoury and fire power. Their sleeper cells have been emerging sporadically in groups, destabilising much of the liberated territories, particularly in the vast countryside between Baaj in the north, Makhmour, Hawija, Riyadh, Daquq, Tuz and Hamrin in the east, and the rural areas of Anbar province in the south. This is the very triangle where Abu Bakir al-Baghdadi is believed to be hiding. IS fighters are nocturnally active with deadly effects. They target local government officials, tribal elders or members and village chiefs. Dozens, if not hundreds, mainly Sunni Arabs, have so far been abducted and killed or ransomed. They sabotage strategic infrastructure, such as electricity supplies and oil pipelines, hijack trucks or rob travellers, rendering several highways, such as the main Baghdad-Kirkuk, unsafe.

Positive steps forward and hindering factors

The liberation of Mosul finally created a new environment conducive to establishing long-term security and stability and opened the door for investment in services, reconciliation and ultimate recovery. Much of Nineveh and other liberated territories re-populated faster than expected. Spontaneous and/or assisted return of internally displaced persons (IDPs) promptly started in earnest, and many districts, particularly those that remained intact or only partially destroyed, are crowded again. Small businesses are back on their feet and the provision of basic public services, including education, health, electricity and clean water, have been increasingly restored. The local provincial councils, government offices (including governors, mayors and municipality leaders) have been reinstated and have resumed their legislative and executive activity.

Unfortunately, not all IDPs have been able, or willing, to return. Many areas, such as the historic districts of Western Mosul that witnessed some of the worst battles, remain lifeless. In these areas, the scale of destruction and potential hazards has prevented most families from returning to their neighbourhood. Over half of the Mosul's pre-war population are among the

10,000–15,000
IS fighters are still believed to be in Iraq

After the Islamic State: returning foreign fighters

■ First 5 countries in the world for number of foreign fighters   ■ Number of returnees since 2017

Country	First 5 countries	Number of returnees since 2017
Russia	3,417	400
Saudi Arabia	3,244	760
Jordan	3,000	250
Tunisia	2,926	800
France	1,910	302

Data: Soufan Group

2.6 million

the number of IDPs in Iraq
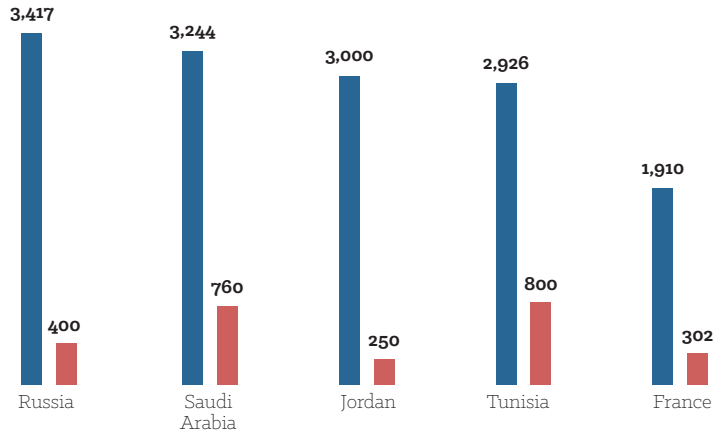
estimated two million persons, who remain in displacement, half of them are living in the Kurdistan Region.

A recent study, carried out by the Middle East Research Institute (MERI), showed that a number of other factors are preventing IDPs from returning home, including issues related to the lack of transitional justice (let alone an institutionalised and independent judiciary system); the lack of confidence in local government for security and administration; corruption among the ruling political class; the presence of armed non-state actors; inter and intra communal mistrust; and a distressing sense of prevailing uncertainty. It is important to remember that a significant proportion of the IDPs, who are unwilling to return to their districts, belong to ethno-religious communities. They have been vulnerable and suffered discrimination, persecution and displacement in the "new Iraq" well before IS emerged. Many of these were already migrating onwards en masse, mainly to Europe, due to a lack of confidence in the future of Iraq.

It is unfortunate that over the past 15 years, since the regime change in Iraq, the sectarian, ethnic, and tribal interests have taken precedence over a shared sense of "Iraqiness" and

resulted in the polarisation, fragmentation and militarisation of the country's sub-national communities. These ultimately culminated in, or at least significantly contributed to, disastrous consequences, including: the emergence of IS in 2014 in Sunni Arab-majority provinces; the referendum of independence in 2017 in the Kurdish-majority provinces; and the eruption of mass demonstrations in 2018 in Shia-majority provinces, particularly in Basra.

It is not surprising, therefore, that the post-Caliphate IS is still benefiting from the chronic weaknesses of Iraq's governance system, which are exemplified in the never-ending political crises, inequitable resource allocations, increasingly powerful armed non-state actors that in effect remain outside of the state's command and control, and the complex and destructive power dynamics that involve the local, regional and global actors which collectively undermine the country's sovereignty and integrity.

CHALLENGES FOR THE INTERNATIONAL COMMUNITY

The international community, including the US and European Union members states, played major role helping the recovery process by providing critically needed military and

Returned IDPs and refugees in 2017, first 10 countries in the world

Country	Returned people
Iraq	1.547.458 *returned people*
Syria	674.399
Nigeria	664.541
Sudan	397.912
Philippines	318.483
Pakistan	281.640
Rep. Dem. Congo	255.663
Chad	167.637
Libya	149.883
Yemen	125.634
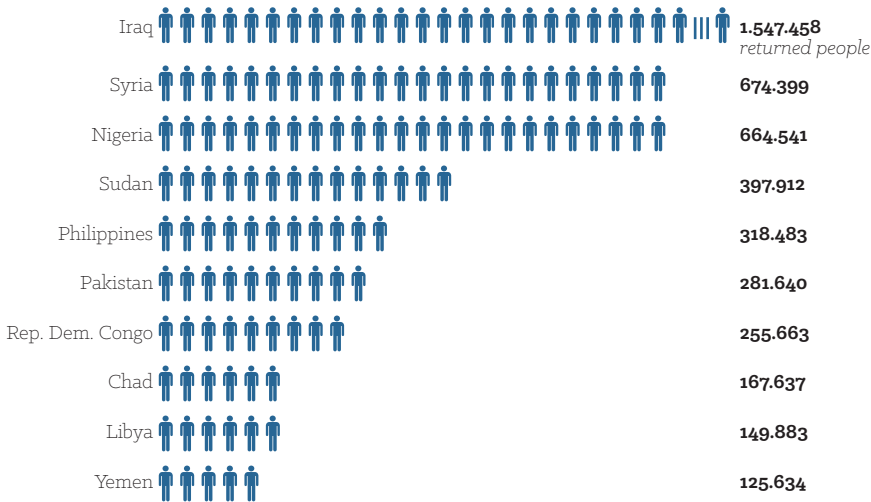
51% of GDP
the economic impact
of violence in Iraq

humanitarian assistance, including emergency food, shelter, medical care and clean water. Moreover, many donor countries recently contributed and/or pledged tens of billions of dollars to rebuild areas damaged in the fight against IS.

International players have played important roles in stabilising Iraq, but their engagement alone cannot bring about legitimacy and stability in the long term. In fact, external interventions are often incognisant of local and national complexities and therefore have the potential to ignite competition, not only among the plethora of armed non-state actors seeking popular, religious and legal legitimacy but also between these groups and the state. As a result, international actors, including the US, EU member states and the UN, have been disappointed as they failed to achieve the desired impact in Iraq despite significant investment. They need to revise their approach to conflict in Iraq, their methods of intervention and their humanitarian assistance provision in a manner that takes into account the various actors' legitimacy (or lack thereof) and address the issues of trust, participation and power-sharing without perpetuating such divisive identity politics. For as long as the factors that undermined le-

gitimate stability in Iraq remain unaddressed, the security, political and economic crises will continue and may ultimately lead to the failure of the state.

After IS: what future for Iraq

Fifteen years after the regime change, Iraqis are increasingly frustrated by the fact that they live in the world's second largest oil producing country, but their wealth is squandered by the disappointing ruling elite, their government remains dysfunctional, and the state is increasingly fragile. Thus the key questions are: What has Iraq learned from the series of past crises and near-fatal mistakes? Can Iraq be held together purely through the international community's determination, while the ruling elite is failing to focus on the country's top priorities, including the rule-of-law and state- and nation-building? Can Iraq survive the current upheaval between rival regional and global powers? Are the current security and political dynamics inside and outside Iraq conducive to dealing with the root causes of past crises?

A sense of optimism

Despite its recent traumatic history, Iraq's latest elections in May 2018 constituted a major

The Caliphate's rise and fall
Territory lost by IS between 2015 and 2018

2015   2018

Data: IHS Conflict Monitor

turning point for all Iraqi communities, whose focus turned to winning their share of the vote, and thus gain power. For the Kurds, it paved the way for a more constructive Baghdad-Erbil engagement. A new and dynamic Kurdish President, Barham Salih, was elected, and the Kurdistan Regional Government (KRG) political leaders have played more active roles in Iraqi politics ever since, with a focus on power-sharing and winning the Kurds' constitutional rights in Iraq.

The Sunnis, on the other hand, reclaimed their constituencies and their political leaders regained confidence in themselves, while engaging in the political process in Baghdad. Although still highly fragmented, they are increasingly united in their rhetoric and in their demand for greater devolution of power.

The Shias, who were previously united in support of an overt sectarian-majority rule, are now divided and differently aligned with various non-Shia parties. A consequence of this division was the protracted process of naming the new Prime Minister Adil Abdil Mahdi and the formation of the new government. There is a palpable move among many Shia groups to dilute the overwhelming influences of Iran over

the decision-making process. This may not necessarily lead to Iraq-Iran detachment, but it is likely to focus the mind of the ruling elite on the national priorities a little more than before.

EUROPE AND CONSTRUCTIVE ENGAGEMENT

In spite of the Caliphate's defeat, Iraq remains a fragile country with its sovereignty grossly undermined externally, and its state institutions weakened internally. The situation is unlikely to change in the near future and, if anything, it may actually worsen due to regional US-Iran tensions and their competition over influence in Iraq. Europe, in the meantime, will continue to face the consequences of Iraq's fragility, including waves of migrants and radicalised networks of young people. It is therefore in the interest of European powers to engage Iraqi leaders more constructively. For example, their future military, humanitarian or financial assistance should be attached to contractual obligations on the Iraqi part, including promotion of good governance, legitimate stability, institutionalisation and state-building. Failing that, Iraq will remain a source of grave concern to EU member states and the rest of the international community.

#med2018
it is in the interest of European powers to engage Iraqi leaders more constructively, such as attaching, their future military, humanitarian or financial assistance to contractual obligations on the Iraqi part

The Tunisian exception

Ahmed Driss
President of the Centre for Mediterranean and International Studies (CEMI)

A UNIQUE DEMOCRATIC TRANSITION

There is no doubt that the Tunisian democratic transition experience remains unique in the Arab world. What is still called "the Tunisian exception" today is due in particular to the peaceful and consensual nature of the transformation process that began in 2011 after the fall of the former regime and the escape of the dictator.

Indeed, no one can deny the success of the constitutional process launched after the elections of the Constituent Assembly in October 2011, crowned by the adoption, almost unanimously, of the Constitution of 27 January 2014 – a Constitution indisputably democratic, progressive, pluralistic and inclusive, thus confirming the Tunisian exception. It stands as a result achieved by the wise decision to turn to consensus between the various characters on the Tunisian political scene. Consensus has thus become the key word of the transition process in Tunisia; nothing is done without consensus, everything requires consensus.

This formula, which remains in place today, enabled Tunisia to avoid the worst during the 2013 crisis; a crisis caused by strong polarisation around the desired model of society, each on its own side, by the "Islamists" on the one hand and the "modernists" on the other. The consensus finally made it possible to move forward and opt for solutions acceptable to both sides. The Constitution settles the place of Islam and affirms the "civil" character of the State, while touching on the universal character of human rights and accepting them as a whole, just as it affirms the founding principles of equality, freedom and dignity.

Since 2011, freedom has become the most significant achievement for Tunisians who are benefitting in a way never seen before, and who sometimes even abuse these newfound freedoms in the face of a weakened state. These gains seem irreversible, as the objective conditions of a move back towards authoritarianism are now non-existent. Tunisia seems to have passed a turning point, and it is safe to say that the transition to democracy is set to succeed.

ECONOMIC OBSTACLES ON THE ROAD

The political transition is the only argument Tunisia brings to bear against attacks coming from all corners on issues like tax havens, money-laundering and other possible future abuses. Democracy without wealth creation remains very fragile and can sometimes lead to serious disappointment.

In this framework, it is not possible for the Tunisian political transition to succeed without an "economic transition" that creates wealth, to make a clean break from the causes of the revolution of January 2011 and to prepare the underlying conditions for freedom and dignity, which the Tunisians have dreamed of for so long.

For example, Tunisia has recently seen an exceptional event, the election of municipal councils in May 2018. This is an historic event in the path towards the building of a new governance system: 53,855 candidates, who ran for 7,182 seats, in 350 municipalities covering every part of Tunisia. But whether the candidates in these municipal elections, and then the newly elected officials, are aware of the magnitude of the task they will assume is ques-
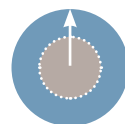
+76%
growth of Tunisian public debt on GDP since 2011

From terrorism to economy: the Tunisians' priorities
Opinion poll in Tunisia: "What is, in your opinion, the single biggest problem facing Tunisia as a whole?"

- ● Economic and financial crisis
- ● Unemployment
- ● Terrorism
- ● Corruption
- ● Domestic political conflicts and tensions
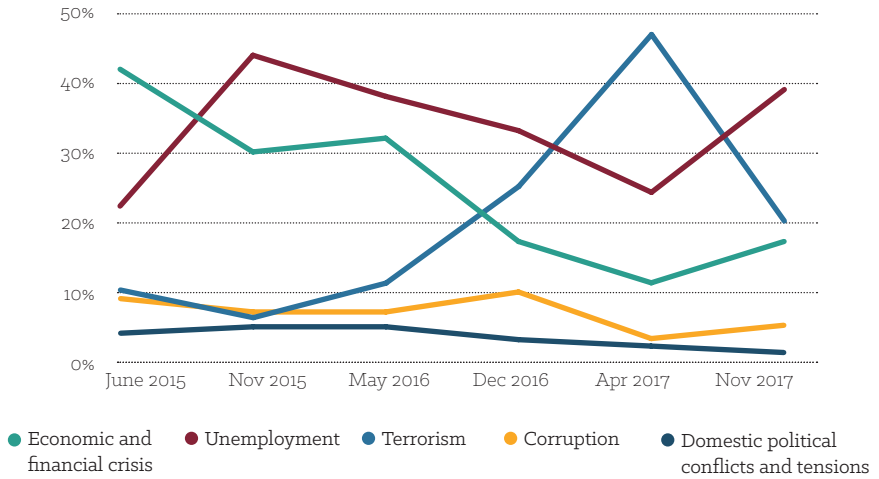
Data: International Republican Institute (IRI)

tionable: do they really understand the means available to them to meet all the local needs and requirements of the citizens?

The overall budget of all Tunisian municipalities combined does not exceed one billion dinars, or 4% of the state budget, compared to 11% in Morocco, 18% in Turkey and 54% in Denmark. The majority of municipalities lack resources and are in debt, with 107 of them in a very difficult financial situation. That is why, although it is obvious that launching the democratic process at the regional level is an absolute necessity, the fact remains that the risk of seeing it fail is very great as long as no solution is put forward to face the resources problem.

The lack of a balance between means and politics will cause endless frustration, as was the case with the frustration experienced after the two previous elections and again after the promulgation of the new law against terrorism and money laundering (August 2015), which did not in any way contribute to improving Tunisia's standing. The same frustration was experienced with the new central bank law of April 2016 and the hundreds of tax and customs provisions which, rather than resulting in greater protection of the economy, have generated

instead increased economic volatility.

Also, Tunisia has maintained an outdated foreign exchange regulation system, designed to minimise the use of foreign currency and which has the effect of moving away foreign investment anxious to repatriate profits from these same investments.

This means that the political transition cannot be achieved without a parallel economic transition of the same intensity. It is not conceivable to implement a new Constitution with a foreign exchange code dating back to January 1976, making Tunisia appear like an anachronistic autarky. It is also unthinkable to move forward in the process of participatory democracy while still administering justice under a legal system that does not take into account new developments in business, trade and investment, new forms of trading companies, trustees and other forms of investment and management. Also, it will not be possible to continue to manage an inherited economy of such disparate experiences. Likewise, it will not be possible to continue with the current governance of often failing public enterprises, which are gobbling up huge amounts of effort and resources to keep afloat.

4,827
Tunisians emigrated to Italy as of 5 November 2018

Freedom of the press: the improvements after the revolution
Press Freedom score of Tunisia

● Not free   ● Partly free
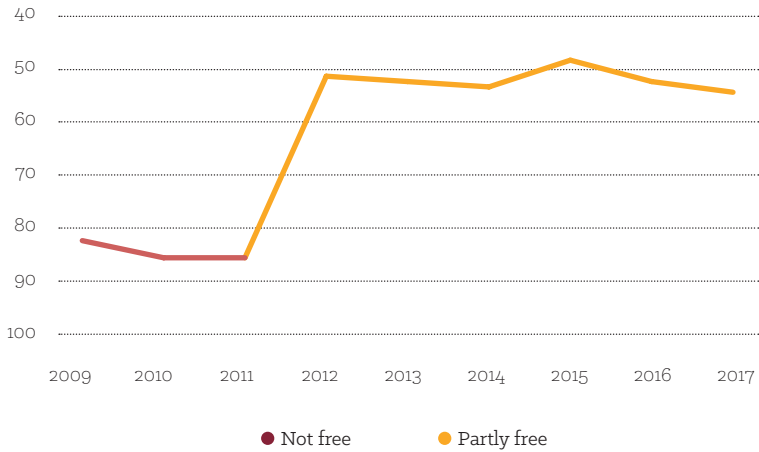
Data: Freedom House (0=most free; 100=least free)

Heavy reforms are expected and have, unfortunately, proven slow in coming; reforms that are politically costly but necessary and without which Tunisia will not succeed in its transition.

Today the country is in the midst of a never-ending series of waves of protest and a feeling of a backslide that seems certain to deepen popular disillusionment with its elected government. Tunisia is on its 6th government since the revolution, each with several ministerial reorganisations. This is a good illustration of the inability of the government to solve the country's socio-economic problems and to effectively fight against corruption; it has reached the point where the president himself and some public figures are publicly criticising the 2014 Constitution – the crowning achievement of Tunisia's transition – as too constraining on the executive power. Some have even gone so far as to suggest a referendum to amend the Constitution and change the political system.

Apart from the May 2018 municipal elections, the government has not yet pursued any genuine process of decentralisation either. Two major bodies of great importance for the protection of rights and freedoms have yet to be set up, namely the Constitutional Court and the Human Rights Protection Committee, due to the political debate between the different parliamentary blocs concerning their composition and competencies. Calls have arisen (from some political parties as well as the central trade union) for a new cabinet reshuffle.

Bridging the gap between the ruling class and the people

Faced with growing difficulties, successive governments since 2011, and especially since the legislative elections of October 2014, have all failed to live up to their responsibilities in the implementation of a rescue programme for the country. Immediate and short-term political calculations have prevented the adoption of a clear and enforceable plan. The squabbles around the propping up of the ever-changing cast of characters in power, or around the preservation of a failing political party, condemned by its own paradoxes to no longer govern, have shown the limits of the current ruling class to guide the country to safer shores. The insensitivity of this ruling class to critics from all sides has ultimately destroyed the bonds of

Tunisia: an oasis in the MENA region
The Economist Intelligence Unit's Democracy Index (2017)
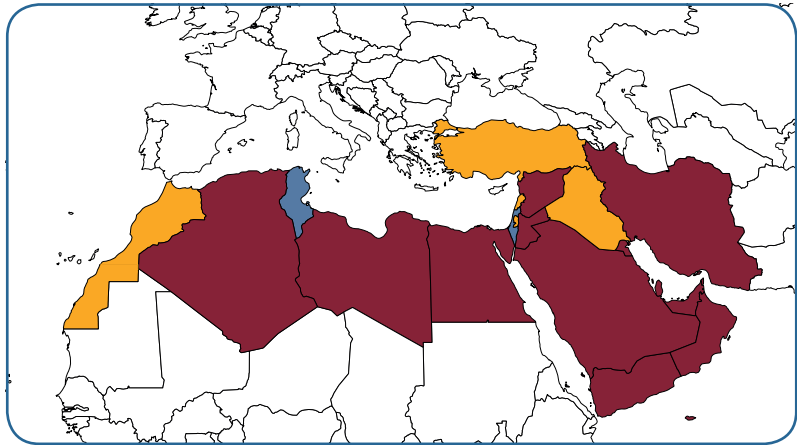
● Authoritarian regime　　● Hybrid regime　　● Flawed democracy

Data: EIU

trust between politics and the people. They have become allergic to the entire political class, rejecting everything and withdrawing from participation (since the 2011 elections, voter turnout has halved, and it is likely to fall further in the next general election in 2019). This sense of resignation represents a real danger to the ongoing process of democratisation, as this directly affects the recognition of the legitimacy of future governments, which will be weakened by the lack of popular support representing the cohesion that is essential to bring the reforms to a successful conclusion.

Since 2011 successive governments have also failed to reframe the size and role of the most important social actor, the Tunisian General Labour Union (UGTT). This one body, which has gone far beyond its trade union role, has become the arbiter of the political game and sometimes an arbitrator that imposes (and bends) its own rules, preventing institutions from functioning properly and complicating the escape from the country's economic (and therefore social) crisis. The UGTT is systematically positioning itself

against all the reforms proposed by each successive government, sometimes sealing their fate when they resist its pressures too much, thus weakening them even more in front of the public opinion. Today, too many shenanigans and too much political calculation govern the relations between the different actors of the Tunisian political scene, preventing them from working properly together for the good of all, the good of the country and the good of the nascent democracy.

TOWARDS A MORE INCLUSIVE DEMOCRACY

Much remains to be done in Tunisia to go beyond despair and begin to feel the benefits of democracy. For this, the political actors must learn not to be satisfied with the too narrow framework of the simple "compromise" designed to safeguard only one's own interests and gains, and to expand this to the broader framework of a "consensus" based on understanding each other's needs in order to work together for the benefit of the nation and emerge victorious together.

31.3%
seats held by women in the Tunisian Parliament (first Arab country)

Women's achievements from Morocco to Saudi Arabia

Dina Fakoussa
Head of the Middle East and North Africa Program, German Council on Foreign Relations (DGAP)

The MENA region has witnessed progress in women's rights. Among the most prominent examples is women's upward progression in terms of political representation and education. Other concrete achievements include repealing the "marry-the-rapist" laws in Lebanon, Morocco, and Jordan, criminalizing violence against women in Morocco and Tunisia, and Saudi Arabia lifting the ban on women's right to drive in the kingdom. These achievements are considerable. At the same time, the battle is often far more complex as laws have a limited impact if gender hostile social norms prevail, and women's rights and concerns cannot be detached from additional systemic legal reforms to comprehensively improve their status and lives. In light of persisting repression and mounting socio-economic grievances, the status and rights of women will continue to require massive support and concerted efforts.

MAJOR LEAPS FORWARD

Political representation of women in the region is on the rise. Egypt legally mandates quotas of 15% of seats in parliament for women and 25% in local councils. Morocco reserves 15% of its parliamentary seats for women, Iraq 25%, and Saudi Arabia 20% of seats in its national shura legislative council. The quotas for women on candidates' lists in Algeria is 50%. Tunisia's new electoral law set a quota ruling that women should comprise half of the candidates on political party lists, and on 3 July this year, Souad Abderrahim, a former MP of the Muslim Democratic party Ennahda, was elected as the first female mayor of Tunis by the city councillors. Needless to say, quotas could mean empowerment, but window-dressing may

become the toothless result. Moreover, female politicians often do not embrace women-related causes or they are deemed unfit to address any issue outside of women-related ones.

As regards education, the rate of literacy among women has also increased significantly, and the number of females enrolled in various levels of education has been clearly on the rise. Women often outnumber men in universities and outperform their male counterparts in disciplines such as mathematics and science. This is the case in several Gulf countries. The paradox, though, lies in the fact that the MENA region continues to rank among the lowest in terms of women's participation in the labour market, leading to an estimated 27% of income losses for countries in the Middle East and North Africa.

In 2017 Jordan, Lebanon, and Tunisia repealed their rape-marriage exoneration laws. Morocco and Egypt had undertaken similar steps before them. These laws, often dating back to the colonial era, were amended to put an end to rapists escaping prosecution or benefiting from reduced penalties. It was a long overdue reform that deserves proper acknowledgment, but the question remains as to whether women will resort to this new law in actual fact. Too often, fear of social ostracisation and shame prevent women from bringing their ordeal into the open and report it to the competent authorities. The latter are also often legitimately distrusted as law enforcement agencies. In short, the practice of settling the matter privately through marriage is likely to continue.

In February 2018, Morocco passed a law recognizing violence against women as a form of gender-based discrimination, envisaging punishment against domestic violence and allowing
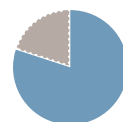
17.4%
female unemployment rate in the Middle East

More and more educated
Female school enrollment in tertiary education (% on total female population, 2017)

Turkey	89%	Saudi Arabia	67%	Iran	66%
Bahrain	63%	Oman	60%	Algeria	54%
Palestine	53%	UAE	53%	Qatar	47%
Lebanon	46%	Kuwait	43%	Syria	43%
Tunisia	41%	Jordan	38%	Egypt	35%
Morocco	31%	Yemen	7%		

Data: UNESCO, World Bank
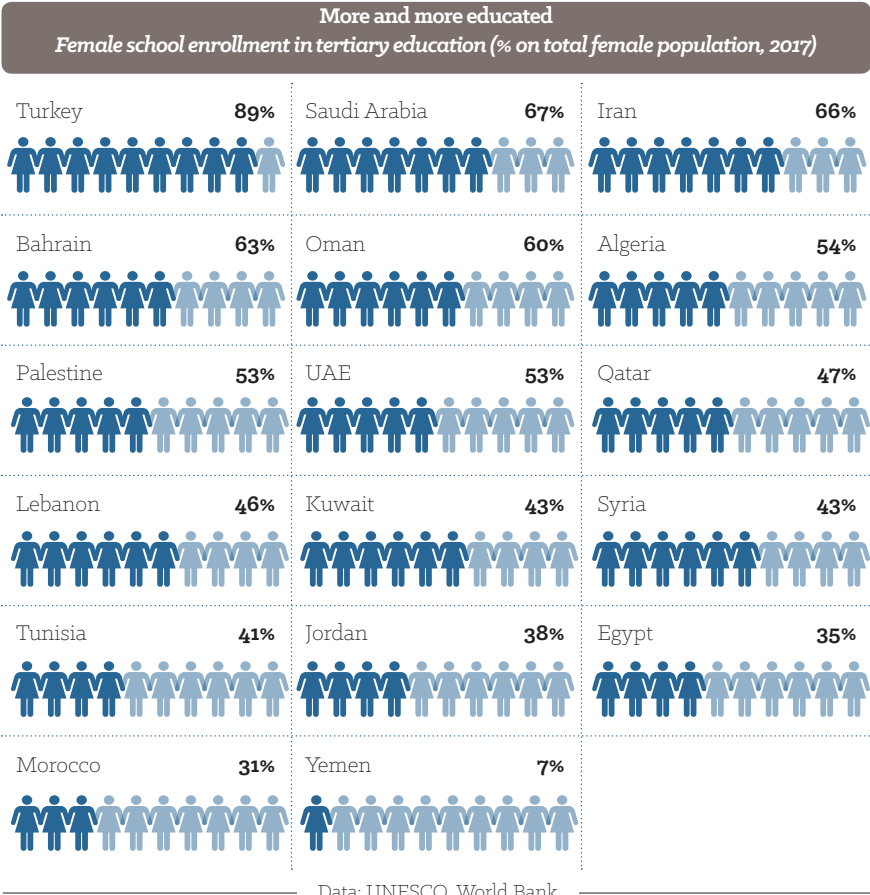
for the protection of the victims. In 2017 Tunisia's parliament also adopted a landmark law to fight violence against women, offering protection to women and young girls from gender-based violence perpetrated by husbands, relatives and any other person. Numerous measures are now available to ensure protection against different acts of violence, so that women now have access to emergency and long-term protection in the form of restraining orders against their abusers.

Both laws, particularly the Tunisian one that broadens the definition of violence against women, constitute ground-breaking steps. However, in order to have a tangible impact in practice, they need to be taken further and complemented with other measures. For example in the case of Morocco, the law allows women to seek a protective order provided that they file criminal charges against their abuser, which in reality very few women do because of family pressure or financial dependency on their spouse. Protection should

be granted instead without requiring women to report their abuser officially, so as to provide immediate shelter outside of their abusive setting. It should be noted that funding is often limited for shelters for survivors of violence and abuse.

TAKING THE GENDER EQUALITY COURSE IN SAUDI ARABIA

Reforms in Saudi Arabia have been historic and impactful. The Kingdom has come a long way concerning the improvement of women's rights. For example, in 2017 Saudi Arabia announced that physical education classes will now be available to female students in state schools and women have been allowed to enter stadiums as spectators. In April 2018, another royal decree instructed all government agencies that women should not be denied access to government services such as education and healthcare in the absence of a male guardian's consent (unless required by existing regulations, e.g. for women

50%
quotas for women candidates' list in Algeria

Women in the labour market
Percentage of female workers on total labour force (2017)

Turkey	32.2%	Kuwait	28.2%	Tunisia	26.5%
Morocco	26.2%	Libya	24.6%	Lebanon	24.4%
Egypt	23.1%	Palestine	21.1%	Bahrain	21%
Iraq	20.1%	Iran	19%	Algeria	18.3%
Jordan	17.7%	Saudi Arabia	16.2%	Syria	14.4%
Qatar	14.1%	Oman	12.9%	UAE	12.4%
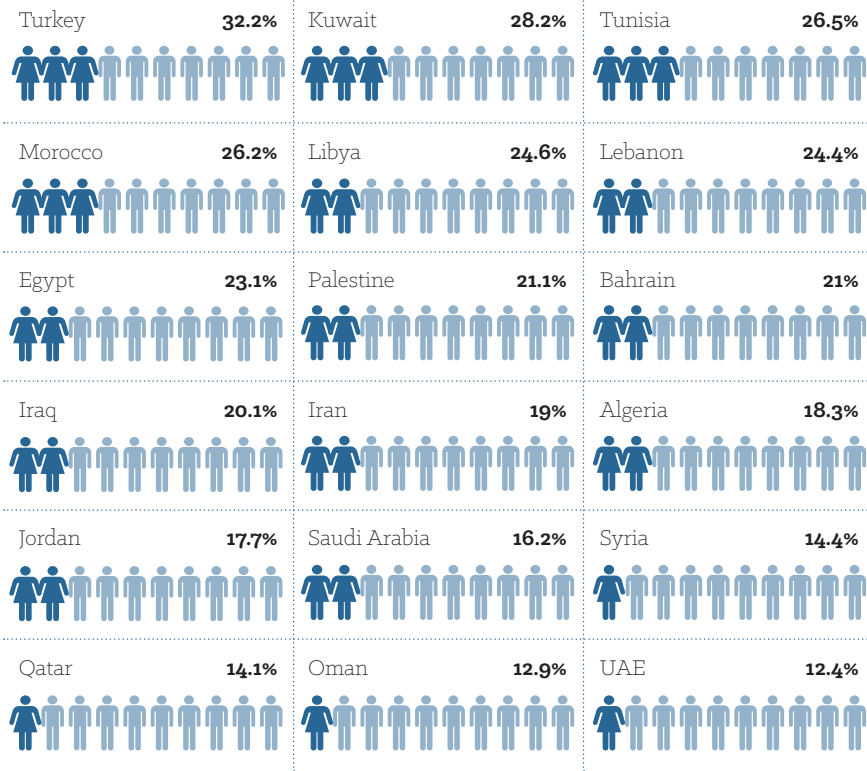
Data: ILO, World Bank

to travel abroad, obtain a passport, or get married). Women are also allowed to start their own business practices freely and obstacles when they engage in entrepreneurial activities have been removed. In June 2018, the Kingdom made the news by finally allowing women to drive.

To be certain, economic drivers have pushed these reforms forward rather than Saudi Arabia's crown prince Mohammed bin Salman (MBS)'s genuine belief in gender equality. Saudi women represent only 22% of the labour force, unemployment is high, and crown prince MBS's 2030 vision can only become reality if all the working potential within society is put to good use. Additionally, Saudi female workers are reported to have much stronger work ethics, levels of commitment and ambition than their male counterparts. Particularly foreign companies prefer to employ women over men when equally qualified. Lifting the ban on driving and removing impediments to entrepreneurship and other professions will therefore automatically translate into greater economic activity and higher productivity.

These reforms are part of MBS's aggressive push for modernization, but it would be incautious to portray the crown prince as a champion of women's rights aiming to end gender-based discrimination and to generally open up society. Shortly before removing the driving ban, several activists that had been demanding the lift and an end to the male guardianship system were being detained. In general, the Kingdom has witnessed an intensified crackdown on dissent. The message conveyed to society is that reforms will only be top-down and selective, and any non-alignment with the Kingdom's and MBS' respective agendas will not be tolerated. This sort of authoritarian practices (also witnessed in other countries such as Egypt) are impediments to a more qualitative amelioration of societies in general, and the life of women in the region as well.

Souad Abderrahim
the first woman ever elected mayor of Tunis

Empowering women: percentage of women in national parliaments (2018)

0-5%   5-10%   10-20%   20-30%   >30%
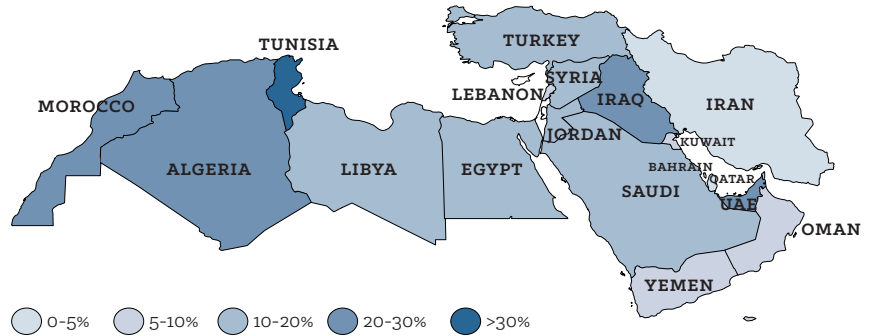
Data: Inter-Parliamentary Union

THE GLASS CEILING ON THE ROAD AHEAD

Widespread violent conflicts make for a destructive context for women's wellbeing and are highly unconducive to their advancement.

The region has been mired in conflict since 2011 and women are normally disproportionately affected by violence. In countries such as Yemen, Syria, Libya or Iraq their status has worsened considerably. Women constitute often the majority of those internally displaced, and in refugee camps they experience immense hardship. Healthcare, social services and education are inadequate or completely missing, and violence as well as insecurity are frequent occurrences in the camps. Moreover, women usually assume more expanded roles than before the war or conflict broke, as is the case with many Syrian refugees, further increasing the burden they carry. To make matters worse is the fact that, with institutions decimated and anarchy reigning in countries such as Iraq, Syria or Libya, conservatism and violent extremism have filled the void, to the evident detriment of women's rights and status.

Women and their supporters continue to mobilize for change and prove their courage in highly challenging environments. National as well as international actors are called to address their concerns and plight jointly and to offer massive support. National vertical alliances that bring together the top echelons of public institutions with civil society have proven to be a major asset. To be sure, women's rights and status cannot be viewed in isolation from the wider security, political, economic, and social context in which they are embedded, to which they are inextricably connected. Reform on a more systemic level is paramount. Governments in the MENA region have to reverse their repressive policies in general pertaining to human rights and freedoms, and discriminatory gender policies in particular. Additional legislation and regulations are also necessary, for example to create enabling environments for women to work and to eliminate legal constraints to enter the labour market. Governments also need to understand that the economic empowerment of women is not a luxury measure but an existential necessity if they want to prevent a more serious deterioration of the socio-economic fabric. At the same time, however, absent the rule of law the impact of progressive laws will be modest.

As laws and regulations cannot bear fruit without a corresponding mentality and social setting, a revolution of the mind-set is essential targeting men and boys early on to eradicate stereotypes and to counterweigh social conservatism and patriarchy. The grass-root level needs to be targeted along with institutions and public officials. In traditional conservative settings, the role of religious and other traditional leaders supportive of gender equality cannot be overemphasized to alter those counterproductive mind-sets. Finally, a persistent challenge in violent conflict ridden countries is the tendency to trivialize women's rights and concerns and to focus solely on safety and basic services, while the opposite is necessary: women's concerns need to take centre stage and women themselves need to be recognised as valuable active players in the process of sustainable conflict resolution and peace building.

#med2018

women's concerns need to take centre stage and women themselves need to be recognised as valuable active players in the process of sustainable conflict resolution and peace building

Natural gas in the Eastern Mediterranean: a driver of development

Giuseppe Dentice
Associate Research Fellow, Catholic University of S. Heart and Italian Institute for International Political Studies (ISPI)

The agreement between Egypt and Israel on energy cooperation certainly marks a step towards the resumption of a pragmatic relationship between the two countries. Nevertheless, it also reveals important multilateral and trans-regional reflections, as it raises this portion of the Eastern Mediterranean as a brand new and concrete energy frontier towards which different internal and external actors in the so-called enlarged Middle East have expressed interest and attention. Thus, the rich offshore oil and gas deposits – discovered in a region that has always been unstable – could soon become an important factor of stability for the area and a potential geo-strategic game-changer also for the EU and international energy policy.

THE SIGNIFICANCE OF THE EGYPTIAN-ISRAELI AGREEMENT SIGNED IN CAIRO

A shared, pragmatic long-term strategic opportunity will ensue the normalization of the relationship between the two countries. The signing of a $15 billion commercial agreement providing for the supply of 64 billion cubic meters of Israeli gas to Egypt coming from the two maxi offshore deposits of Leviathan and Tamar, that occurred last 19th February in Cairo, could be the first step towards a new geopolitical dimension that could change the political and energetic strategies of the entire Mediterranean basin. The agreement, preceded by a similar arrangement reached by Israel with Jordan in 2016, appears to be beneficial to both Israel and Egypt. In mere energy production and con-

sumption terms, the agreement is convenient to both. On the one hand, it allows Tel Aviv to expand its marketing plan for natural gas to its neighbours (further operations are also in the pipeline with Greece, Turkey, Bulgaria, and Cyprus) and to potential competitors (such as Egypt and, perhaps in the future, Saudi Arabia), effectively establishing itself as a new energy player in a region already ripe with giants in the field (Saudi Arabia, Iraq and Iran above all), with enough reserves to meet its own domestic needs as well. Similarly, the agreement is also positive for Egypt, which has long since become a net importer of energy and can now address the ever-increasing domestic demand for electricity with fewer concerns than in the past. This is particularly true as it awaits for Zohr to become fully operational, as well as for the nuclear power plant under construction in the east of Alexandria – financed by the Russians – to become fully functional (although this will occur only in 2029).

A NEW STEP TOWARDS EURO-MEDITERRANEAN STABILITY

At the geopolitical level, this agreement appears to be dictated by careful bilateral reflections, as it allows the strengthening of trade and, above all, political ties between the two countries, contributing to a normalization of relations between Israel and its Levantine neighbours. The agreement in question thus represents a new sign of bilateral *détente* between the two countries. It is also the first step towards an attempt at multilateral cooperation
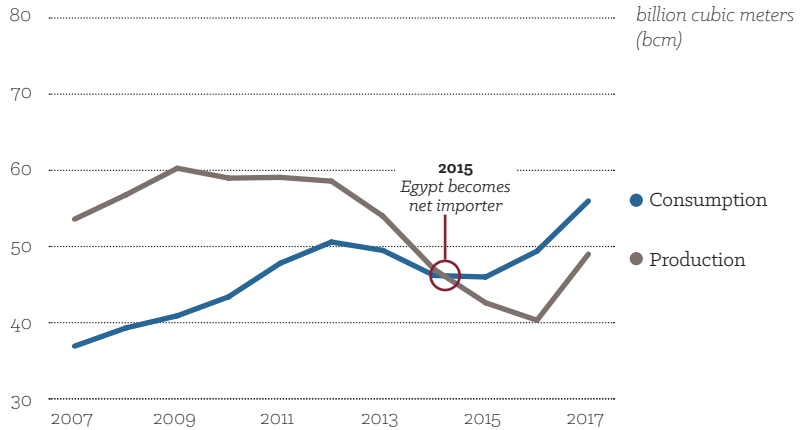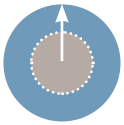
$15 billion
the value of the commercial deal signed by Egypt and Israel

Natural gas production and consumption in Egypt

billion cubic meters (bcm)

2015
Egypt becomes net importer

● Consumption

● Production

80
70
60
50
40
30

2007   2009   2011   2013   2015   2017

Data: British Petroleum

+0.3 tcm

the growth of natural gas reserves in Israel in 2017, the first single contributor in the world

that involves most of the riparian countries on the south-eastern and northern shores of the Mediterranean. The gas discoveries of the last decade in this large portion of the sea have attracted the attention of international media and political players, as well as of the main energy companies and corporations in the sector (Eni, Total, Novatek, ExxonMobil, Kogas, BP, Rosneft and Shell – all engaged in important and costly drilling and exploration activities in the Levant basin). Putting the spotlight on this area has proved to be a factor of stability and economic and environmental development both internally and externally for the individual countries involved, which have tried to capitalize on it by defining viable common approaches or strategies in the region. The countries in question – Egypt for Zohr and Noor; Israel for Leviathan, Tamar and Dalit; Cyprus for Aphrodite and Calypso – are developing formulas that allow for the communitisation of their energy resources, with a view to meeting domestic consumption to be sure, but also to establishing a competing and alternative gas supply to the Russian, Algerian and Gulf routes. Thus, their efforts seem to be geared today towards establishing a sort of energy cartel in the Eastern Mediterranean, a new international gas network where they would all feature prominently thanks to the energy giants who have become their joint-venture partners.

To this end, a common initiative was set up to sell Israeli, Cypriot and Egyptian natural gas to be processed in the liquefied natural gas (LNG) plants of the countries concerned (such as those of Damietta and Idku in Egypt, or Ashkelon and Haifa in Israel) and exported to Europe via Cyprus (arriving at the Vassiliko LNG terminal), from where the container ships would depart heading for Greece, and from there to Italy and the rest of the European continent. Ultimately, this could result in a major geopolitical and strategic challenge in which the European Union aims to play an active and leading role. By exploiting the resources of the area – also through the Israeli submarine gas pipeline EastMed – Brussels intends to take advantage of this new energy supply route that could feature prominently in the EU's future energy policy, decreasing its dependence on Russian (which accounts up to 40% of EU consumption). EastMed will have an expected capacity of 10 billion cubic meters of gas – which could be increased to 20 – with an estimated cost of €6 billion, but it will become operational no earlier than 2025.

POSSIBLE SCENARIOS

The gas fields discovered in the Levantine area and the related infrastructures could result in an innovative convergence of strategic interests among the countries of the

THE WEALTH UNDER THE EASTERN MEDITERRANEAN

New discoveries of natural gas basins

CYPRUS

LEBANON

Leviathan
620 bcm

Aphrodite
140 bcm

Zohr
850 bcm

Tamar
280 bcm

EGYPT

ISRAEL
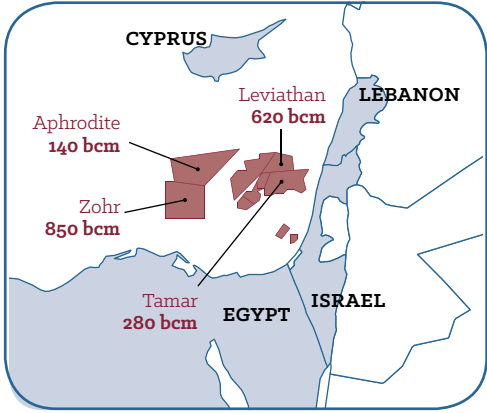
Proved natural gas reserves and new discoveries

billion cubic meters (bmc)

2,700

1,081

140

850 *Zohr*

1,850 *Proved reserves before discoveries*

Egypt

280 *Tamar*
620 *Leviathan*
181 *Proved reserves before discoveries*

Israel

140 *Aphrodite*

Cyprus
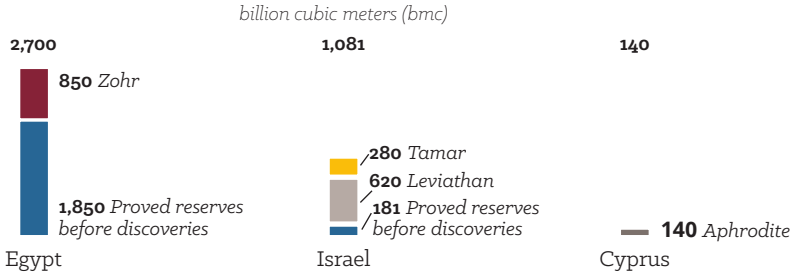
A POTENTIAL GAS HUB

Pipeline and export projects in the Eastern Mediterranean

TAP

TANAP

Poseidon

to Turkey/Italy

EASTMED **to Italy**

to Africa/EU

to Egypt
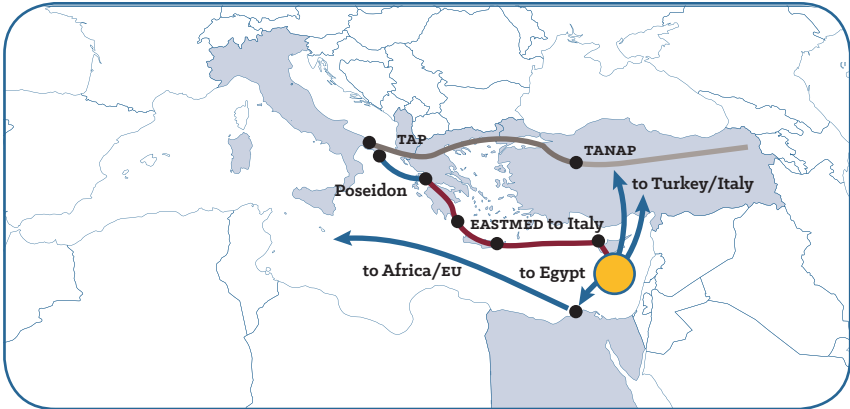
Data: ENI

10-20 bcm

the possible capacity
of the EastMed
gas pipeline

region (which was unthinkable a few years ago), which might lead in turn to new power relations at international level in the Eastern Mediterranean and the strengthening of existing bonds. In this sense, triangulation between Egypt, Israel and Saudi Arabia will be crucial. Riyadh, an ally of Cairo and interested in maintaining a convergence of common interests with Tel Aviv, welcomes the gas supply agreement signed between Israel and Egypt as further proof of the collaboration between different actors with a view to containing Iran in the Middle East. At the same time, the initiative represents a strategic opportunity for the kingdom of al-Saud that could exploit the Israeli-Egyptian gas production to finance – and even more to the point, feed – the futuristic city of Neom on the Gulf of Aqaba.

This initiative, however, is perceived by Lebanon as a new challenge on which to build yet another battlefront. Since 2009, Beirut has been engaged in a dispute with Tel Aviv on the exploitation of a portion of territorial waters that both parties claim as their own and on which Hezbollah threatens attacks with rocket launches from the Lebanese mainland. Another source of concern is Turkey, for which the Israeli-Egyptian agreement represents a defeat, following attempts at exploiting Leviathan's resources, with the prospect of both becoming a gas infrastructure hub in the region (a role that is now the prerogative of Egypt), putting pressure on Cyprus – if only indirectly – and the controversial submarine blocks in the disputed waters between the two countries.

Nevertheless, in order to fully understand the geostrategic value of the energy game currently unfolding in the Levant basin, one should not overlook the role of the energy companies involved – particularly Russian ones like Novatek and Rosneft, which in this

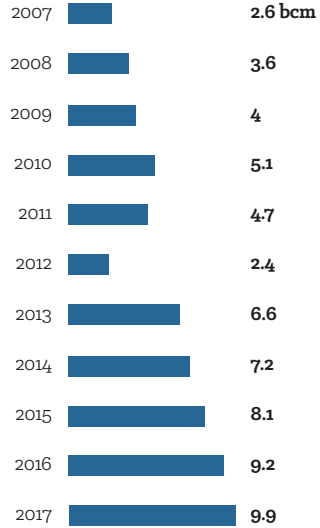| Israel natural gas consumption	
2007	**2.6 bcm**
2008	**3.6**
2009	**4**
2010	**5.1**
2011	**4.7**
2012	**2.4**
2013	**6.6**
2014	**7.2**
2015	**8.1**
2016	**9.2**
2017	**9.9**

Data: British Petroleum

decade bought shares, launched explorations and opened joint ventures with other global players across the Eastern Mediterranean. The most striking case in point is Zohr, in which in 2017 Rosneft bought a 30% stake from ENI (which maintains control with a 60% majority, while BP holds a 10% stake), announcing a three-year investment plan of $2 billion for the development of the same reservoir. From Lebanon to Egypt, through Israel, Russian companies have used energy as a strategic factor to extend Russian soft-power in the area, as well as to define the next step in the Kremlin's energy strategy to expand its influence across the whole of the Mediterranean, perhaps even considering a future role in Libya. Thus, the gas agreement between Israel and Egypt should best be regarded as a sign of how important this Mediterranean quadrant is at present, but above all how crucial it will be in the near future.

Growth in tourism: the Mediterranean scenario

Fathallah Oualalou
Senior Fellow, OCP Policy Center

The Mediterranean has always been and remains the main global tourist destination to date. Emitting markets include Western Europe and North America, but also, in recent decades, the Asia Pacific area. The Mediterranean attracts one third of international tourist traffic and 30% of foreign exchange earnings. Tourism in the region accounts for 13% of exports, 23% of services and employs 5 million people.

THE UPS AND DOWNS OF TOURISM

The boom in tourism in general and in the Mediterranean in particular is the product of the phenomenal growth of western economies during the years of the "glorious thirties", from 1945 to 1973. Tourism gained great momentum in the 1960s starting from the Western Euro-Mediterranean. It was boosted by rising middle classes, improved household incomes, reduced working time and extended paid holidays as well as by considerable advances in the field of transport allowing the development of mass travel at ever lower costs. Developments in Mediterranean tourism since the 1970s were driven by fluctuations in the global economy as well as geopolitical factors of great sensitivity in the region. The dazzling growth on the northern Mediterranean coast was negatively affected by the oil shocks of 1975, 1979 and 2007. At the same time, southern Mediterranean countries (such as Morocco, Tunisia, and Egypt) discovered tourist activity in the 1970s in connection with the nearby European emitting markets.

Tourist dynamism in the Mediterranean picked up across the board from 1990 to 2009 with the ascent of the North American and Asian emitting markets. The global crisis then hit southern European markets again in 2009. In 2011, after overcoming the worst of the crisis, the Mediterranean attracted 300 million tourists, posting a 7.1% growth rate for the year. France, the leading market in terms of tourist numbers, was then shaken by the impact of the 2015 attacks.

The southern Mediterranean, with significantly weaker performances in tourism, was hit hard by the effects of political destabilization caused by the Arab Spring. The resulting contraction of activity – particularly in Egypt, Tunisia and Lebanon – reinforced the polarization of tourist activities in favour of the northern Mediterranean shores. Nonetheless, an impressive recovery has been registered in 2017. The Middle East has experienced an increase of almost 13% in tourism revenue, while North Africa of 10.3% (UNWTO).

The 40 years from 1960 to 2000 saw an explosion in world tourism activity, a third of which was captured by the Mediterranean. The number of tourists increased tenfold during the period, from 70 million in 1960 to 700 million in 2000. This increase continued until 2008 (925 million). Recovery started in 2012 and the figure of 1.3 billion tourists worldwide was reached in 2017.

Tourism revenues increased even more dramatically: from $7 billion in 1960 to $475 billion in 2000, $944 billion in 2008 and $1,220 billion in 2016. The recovery that began in 2010 (+6.7%) is attributable to the Asia-Pacific region (+13%) thanks to the rise of the Chinese market, which has since become the leading
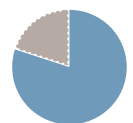
1/3
of international tourist arrivals are in the Mediterranean

emitting market. Other factors contributing to the recovery were lower oil prices and favourable currency exchange rate movements. 2017 was a great vintage in terms of tourist activity, posting a 7% increase – the highest in 7 years – with a particularly favourable trend towards the Mediterranean, where the progression was significant for Europe (+8%), Africa (+9%) and the Mediterranean area itself (+5%).

STRENGTHS AND WEAKNESSES OF THE MEDITERRANEAN COUNTRIES

Like industry, tourism reveals the asymmetries that are characteristic of the Mediterranean divide between the north, that attracts more than 90% of tourist activity, and the south, that has yet to establish itself in this area. Three are the groups of countries that make up the ranking of tourism activity in the Mediterranean: the large countries of western Europe, the small countries of north-eastern Europe, and the countries of the south-eastern Mediterranean.

WESTERN EUROPEAN DOMINANCE

Three large Euro-Mediterranean countries absolutely dominate tourism in the region: France, Spain, and Italy. In fact, these are among the top 10 receiving countries worldwide: in 2017 France, in first position, received 86.9 million tourists; Spain, in third position, received 81.7 million; and Italy, in fifth position, received 58.3 million. These three countries are also among the global top 10 in terms of tourism revenue: Spain, second with $62 billion, France, third with $60.7 billion, and Italy, sixth with $44.2 billion. In addition to these three giants, Greece weighs in with 27.2 million tourists and $16.5 billion in revenue, and Portugal with 21.2 million tourists and $17.1 billion in revenue. Since 1960, France, Spain and Italy have remained by far the leading markets in the first group in terms of tourism activity, that is extremely sensitive to crises and attacks. Paradoxically, mass unemployment and the wage drop induced by the crisis have favoured tourist activity in Spain, Greece and Portugal, countries that have captured a large share of the market lost by southern countries after the Arab Spring. It should also be noted that two

of these receiving countries are among the top 10 emitting markets: France, raking fifth, and Italy, tenth.

THE SMALL COUNTRIES OF THE NORTH-EASTERN MEDITERRANEAN

These are countries of the European Mediterranean and in the vicinity or part of the European Union. All have experienced great dynamism in tourism since the beginning of the century. In 2017, UNWTO figures are as follows: Croatia (15.6 million tourists and $10.9 billion in revenue); Albania (4.6 million tourists and $1.9 billion in revenue); Cyprus (3.7 million tourists and $3.1 billion in revenue); Slovenia (3.6 million tourists and $2.8 billion in revenue); Malta (2.3 million tourists and $1.7 billion in revenue); Serbia (1.5 million tourists and $1.4 billion in revenue). A real tourist boom has been underway in these small countries since 2011, with annual growth rates ranging from 7 to 20%. As with Spain, Portugal and Greece, these small countries have captured some of the clientele that has fled the southern Mediterranean since 2011. Likewise, wage drops and therefore cost reductions resulting from the 2008 crisis made these countries particularly attractive. Additionally, Turkey also deserves a special mention as a Euro-Mediterranean country with significant tourism activity: with 37.6 million tourists and $22.5 billion in revenue in 2017, it comes in fourth right after the three giants. The Turkish market has also benefited from the debacle of southern Mediterranean markets. However, tourism has suffered greatly since 2016 due to the impact of the attacks the country suffered and consequent to the failed coup of 2016.

THE SOUTHERN AND EASTERN MEDITERRANEAN GROUP

Morocco is the country in this group that has best resisted the destabilizing effects that swept the MENA region in 2011. UNWTO figures for 2017 indicate that it is currently the largest market in the southern Mediterranean with 11.4 million tourists and $7.4 billion in revenue. The same year, Egypt attracted 8.2 million tourists with $7.8 billion in revenue. Next in terms of arrivals come Tunisia (7.1 million

5 million

people employed in tourism in the Mediterranean region

A BASIN OF TOURISTS

Tourist arrivals in the Mediterranean and Middle East (2017)
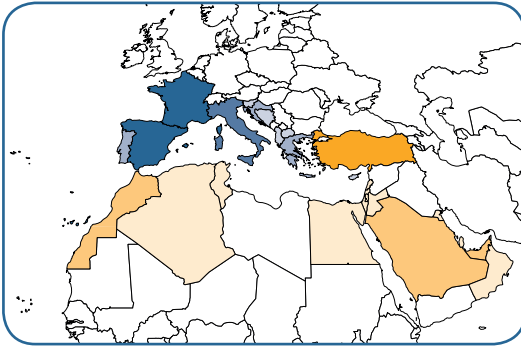
European countries   *MENA countries*

- > 80 million tourists
- 30-60
- 10-30
- < 10

France	86.9	Jordan	3.8
Spain	81.7	Cyprus	3.6
Italy	58.3	Israel	3.6
Turkey	37.6	Slovenia	3.6
Greece	27.2	Algeria	2.5
Portugal	21.2	Oman	2.3
Saudi Arabia	16.1	Qatar	2.3
UAE	15.8	Malta	2.3
Croatia	15.6	Lebanon	1.9
Morocco	11.4	Montenegro	1.8
Egypt	8.2	Serbia	1.5
Tunisia	7.1	Palestine	0.5
Albania	4.6	Kuwait	0.2
Bahrain	4.3	*(data in million tourists)*	

MIDDLE EAST: THE BIGGEST GROWTH

International tourism receipts, annual arrival variation by region (2017)
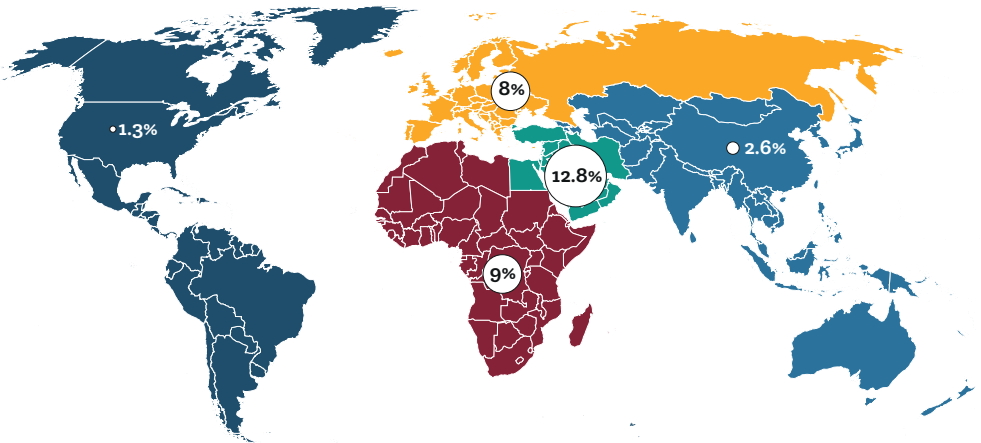
Middle East	12.8%
Europe	8%
Africa	9%
Asia and Pacific	2.6%
Americas	1.3%

Data: UNWTO

tourists and $1.3 billion in revenue), Jordan (3.8 million tourists and $4.6 billion in revenue), Israel (3.6 million tourists and $6.8 billion), Algeria (2.5 million tourists), and Lebanon (1.9 million tourists and $7.6 billion). Lebanon and Egypt are now the leading countries in terms of revenue. The events of the Arab Spring have negatively impacted Tunisia and especially Egypt, which recorded a 42% drop in 2016 after attracting 14 million tourists in 2010, while 7.8 million visited Tunisia. Both, however, experienced a strong recovery in 2017. Lebanon was also affected by geopolitical events in neighbouring Syria, while in 2010 it attracted 2.1 million tourists with revenues of $8 billion. Since 2011, Syria itself has completely disappeared from UNWTO statistics, and yet in 2010 it had attracted 8.5 million tourists.

It is of course the flow of European tourists that drives most of the activity in the southern Mediterranean (Morocco, Tunisia, and Egypt) in tourist exchanges between the north and the south of the Mediterranean. However, in the tourist balance between the two shores, it should be noted that travellers from the south to the north (North Africans traveling to Spain, France and Italy) have significant purchasing power and partake in family tourism with significant expenditure.

Where do we stand, where do we go?

After seven years of recovery, UNWTO is resolutely optimistic about the future of global tourism. According to its projections, the number of tourists will reach 1.5 billion in 2020 with spending in excess of €2,000 billion. Annual tourism growth rates in the coming years are expected to settle around 6.7% – more than double the world economic growth rates – and the Mediterranean will continue to account for more than 30% of this growth.

However, in order to lead tourism towards a more sustainable path, it is important to remember that the overdevelopment of tourism to the north of the Mediterranean may produce detrimental effects on the environment due to extensive coastal development and construction of dense infrastructure along the shore, like roads, hotels, and golf courses. The north-western Mediterranean coast has been

11.4 million
tourists visited the southern Mediterranean in 2017

North Africa: after the crisis, the recovery
Tourist arrivals in North Africa

Year	Tourists
2017	21.7 million tourists
2016	18.9
2015	18
2010	19
2005	13.9
2000	10.2
1995	7.3
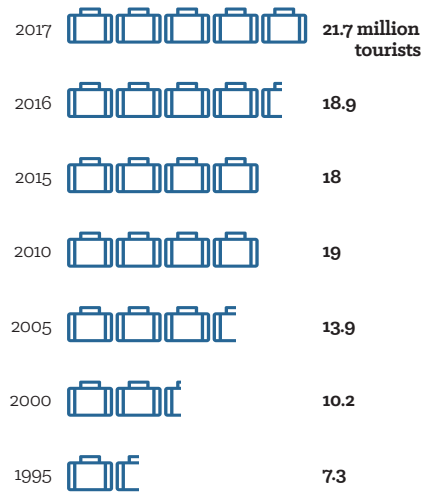
Data: UNWTO

exposed to massive environmental pressure leading to palpable degradation. Additionally, mass tourism contributes to drying up water reserves in a drought-stricken region. Effective policies to tackle this phenomenon have to be put in place by governments and local authorities, otherwise degradation might constitute a serious threat to the environment as well as to the very viability of future tourism activity in the long-term. Furthermore, it is important to strive to reduce the asymmetry that predominates in Mediterranean tourism by promoting activity on the southern coast. This implies revisiting the Euro-Mediterranean partnership so that it incorporates a sharing and co-production approach that should cover all economic sectors, including tourism. This will surely serve the interest of the northern coastline, as it will relieve the pressure it is undergoing today. All this depends on the political will of all countries, in the north and the south of the Mediterranean, to transform the partnership that binds them together. Without forgetting that the southern countries are particularly challenged to overcome major hurdles that are inherently their own, namely instability and issues related to the political and economic governance of their national entities.

Gulf cities: smarter and smarter

Annalisa Perteghella
Research Fellow, Italian Institute for International Political Studies (ISPI)

How to improve the quality of life while at the same time addressing the many challenges of demographic growth and transition to a post-oil economy? "Smart cities" seems to be the answer among Gulf countries, which are adopting the new buzz word in urban development as a major driver for holistic transformation and technology-driven development. Although there is no standard definition, a smart city can be described as one that makes optimal use of all the interconnected information available today to better understand and control its operations and to optimize the use of limited resources. With data and ICT at its core, the concept of "smart city" is closely related to the concept of "Internet of everything" – connecting people, things, processes, and data. Indeed, the main revolution brought about by "smartness" is the connection – mainly through Wi-Fi and fibre optic networks fuelling millions of sensors embedded in virtually everything – of all the city's systems which have traditionally been operating in silos: traffic and parking, safety, lighting, waste management, and energy among them.

Of course, there is no one single way to be smart. In some cases the goal is a mere digitization of things, i.e. making things electronic by increasing the technological implementation and the number of apps, while in other – more ambitious – cases, smart city projects reach far beyond a mere technology transformation towards issues including quality of life, access to data, efficiency, and sustainability measures. Indeed, "smartness" is not just a matter of applying digital interfaces to traditional infrastructure. It is more about using technology and data in order to make life better. According to a McKinsey Global Institute Report, smart cities could improve some key quality-of-life indicators by 10-30%, which translates into lives saved, reduced crime, shorter commutes, a lower health burden, and carbon emissions averted. It is precisely this desire to make technological progress and economic transformation more sustainable that is driving the change in the Gulf region.

DRIVING FACTORS TO TRANSITION

Investment in smart cities across the region is spurred by multiple factors. First of all, the need to address the many challenges posed by population growth. According to data from the World Bank and the United Nations, every month the world's urban population grows by six million people and is expected to grow from 54% to 70% overall within a generation. A United Nations report estimates that by 2030 more than half of the world's population (which will be almost 5 billion at that time) will be living in urban areas, with the urban population of Africa and Asia – thus encompassing the Arab world – expected to double within a generation. Population growth is already here: in 2007 Qatar's population accounted for 1.2 million people; in 2017, in light of expatriate workers flocking in, it grew to 2.3 million, mostly based in the capital, Doha. Similar trends are underway in other countries of the region: Dubai municipality has grown from 1.9 million in 2010 to 3.1 million in 2018; population in Kuwait has doubled to over four million since 2000, and Bahrain is experiencing similar levels of growth.
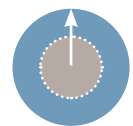
+63%
the population growth in Dubai between 2010 and 2018

2022

Qatar will host the
FIFA World Cup: the
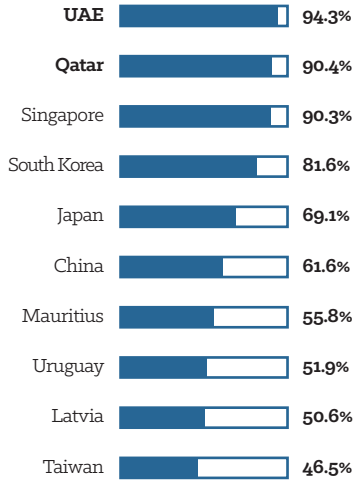first time ever for an
Arab country

A second factor, intertwined with population growth, is the need to manage its economic implications against a backdrop of low oil prices, which makes it necessary for these countries to engage in a transition aimed at reducing dependency on petrochemical revenues. Consequently, investments in technology and smart work are a key driver for change.

Third, but equally important, is the desire to showcase the capabilities of the region to the rest of the world, to be perceived as a beacon of inspiration as well as a champion of soft power. Two major examples in this sense are Qatar and Dubai, which are preparing to host two major events in the next few years. Qatar, which will host the 2022 FIFA World Cup, will showcase air-conditioned sport stadiums, while driverless cars and other eye-catching smart technology will be at the forefront of Dubai's 2020 World Expo.

Where and who?

It is not coincidental that Dubai aims at becoming the smartest city in the world. In March 2014, the Emirate launched the Smart Dubai initiative, aiming at transforming the city across six dimensions – smart economy, environment, people, mobility, and governance – in time for Expo 2020. But the UAE remains the global leader in FTTH (fibre to the home) – with household fibre penetration now at 94.3% – and is also working towards building smart cities from scratch. An example in this sense is Masdar City, a planned city project in Abu Dhabi replying entirely on solar energy and constructed in such a way as to keep the temperature 15° to 20° cooler than the surrounding desert. Another example of greenfield city – i.e. a smart city built from scratch – is Neom, the Saudi project for a smart city located in the north-west of Saudi Arabia, also including marine Egyptian and Jordanian territory. The project, the crown jewel of Saudi Vision 2030, will feature robots performing functions such as security and logistics, while energy will be generated exclusively from solar and wind power. Qatar will also compete in the smart race with the new city of Lusail, one of the proposed venues for the 2022 Qatar World Cup. The city,

| The fibre runs across the Gulf |
| First 10 countries in the world |
| for Fibre-to-the-Home and |
| Fibre-to-the-Building subscribers (2017) |

Country		Value
UAE		**94.3%**
Qatar		**90.4%**
Singapore		90.3%
South Korea		81.6%
Japan		69.1%
China		61.6%
Mauritius		55.8%
Uruguay		51.9%
Latvia		50.6%
Taiwan		46.5%

—— Data: IDATE for FTTH Council Europe ——

which is now 80% complete, will feature a series of thematic districts, such as a Golf district, an Entertainment island, and a Media city. Oman, too, has recently hosted its first Smart City summit, aiming at producing a 2030 strategy to support the establishment of smart cities.

A total of nine smart city projects are expected to take shape in the Gulf region by 2025, involving a multi-stakeholder approach bringing together businesses, entrepreneurs, universities, and government agencies. Indeed, different smart city models can be identified based on their major sources of funding: city funded, where the project is carried out by the city authority, as is the case with Neom and King Abdullah Economic City in Saudi Arabia; paid by savings, when the investment is paid off with savings resulting from energy efficiency, as is the case with the Masdar City project and Abu Dhabi; fee-based, where a provider charges a fee for use of a particular service, as for example parking management; paid by components, where the component supplier charges for the use of equipment, such as sensors.

$40 billion

expected injection
into the UAE economy thanks to Expo
2020 in Dubai

DUBAI GOES SMART

Smart Dubai Achievements

Scoot

The smart traffic signalling system currently in use by the Road and Transport Authority (RTA) optimised traffic flow every four seconds

Smart Police Service Centre

The world's first smart police centre operates without human intervention and is open 24/7 to offer over 20 key service, including community services, reporting crimes and reporting traffic incidents

Electric Vehicle Charging Stations

DEWA successfully installed 100 electric charging stations by December 2015, in different areas of Dubai as part of the Green Charger initiative, with plans to increase the number of charging stations to 200 in 2018

DubaiNow app

The first unified Dubai government services smart app offering over 50 smart services from 22 government entities

Sehhaty

The bilingual Dubai Health Authority (DHA) smart healthcare services provides health services for patients and their families through their smart devices

The Dubai Data Law

A new law announced to provide best practices and ensure that government entities manage their data in accordance with the law

THE SMARTEST CITIES IN THE GULF

Gulf States Smart Cities Index (2017)

Followers	Challengers	Contenders	Leaders

Execution (vertical axis)

- Dubai
- Abu Dhabi
- Doha
- Sharjah
- Riyadh
- Muscat
- Jeddah
- Yanbu
- Manama
- Kuwait city

Strategy (horizontal axis)
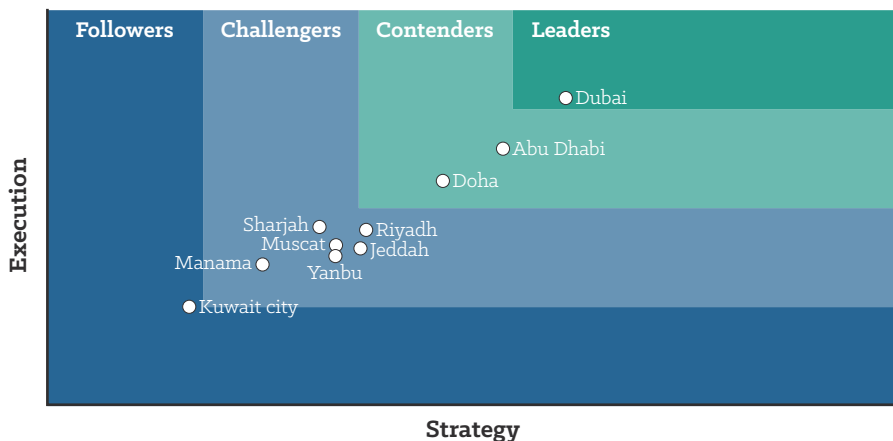
Data: Navigant Research

WHICH CHALLENGES STILL TO OVERCOME?

However, as in all breakthrough transformations, the transition to smart cities is not devoid of challenges and hurdles. A major challenge for entrepreneurs and investors is red tape and in general the slow turning wheels of the public sector in some cities, slowing down the process of change. Resistance to innovation and a "let's do it the old way" mentality can discourage innovators, although progress is being made in these areas as well.

Digital literacy and data-related concerns are another major issue, for both entrepreneurs and consumers. Despite some of the highest fibre penetration rates in the world, avant-garde technology often remains underutilized mainly because of lack of knowledge and security fears, as well as a certain preference for face-to-face interaction. As a matter of fact, the lack of skilled workers in the tech sector is a major challenge for cities and countries trying to make the transition to knowledge-based economies. Even when city authorities and entrepreneurs have the will and the financial resources to implement the smart agenda, human capital needs either to be built organically or to be imported from abroad. Both of these contribute to slowing down the process. As for security fears, it is universally acknowledged that as digitization increases, so does vulnerability. Thus, digital transformation projects need to be underpinned by robust cybersecurity sys-

tems, as well as by the improvement of regulatory framework to protect data. Overall, an innovation ecosystem still remains to be developed. Finally, as far as governments are concerned, a major hurdle is the ongoing economic slowdown, brought about by the "new normal" of low oil prices, meaning that there is less money to spend on expensive projects. However, the continued depression in oil prices can be considered both a challenge and an incentive for change. On the one hand, it can limit the investments that governments are able to make, but on the other it can represent a driver for authorities to try to allocate funding in a smarter and more efficient way. In other words, spending on transforming infrastructures today can reduce costs in the long run and help these economies to cut loose from oil revenues.

In order to address all these challenges and overcome all the difficulties, governments, the private sector, and the citizens are called to engage in staunch collaboration: the kind of holistic transformation that is recalled above. Indeed, since antiquity, challenges have represented a major drive for change: how subjects respond to adversities shapes the way of things to come. Innovation shall never be seen as a goal in itself, but as a means to an end. Technology as well is not an achievement but a tool to make things smarter for human beings, giving them a smarter life in cities which should be craved more and more as a place to call home.

#med2018
technology is not an achievement but a tool to make things smarter for human beings, giving them a smarter life in cities which should be craved more and more as a place to call home

Cultural dialogue in the Mediterranean: the Italian initiative

7.

Fabio Cassese, Coordinator of the "Italy, Cultures, Mediterranean" Programme
Marialuisa Pappalardo, Italian expert for cultural promotion, Directorate General for cultural and economic promotion and innovation
Italian Ministry of Foreign Affairs and International Cooperation (MAECI)

Consensus among politicians, sociologists, and civil society is that cultural exchange can be a means to help develop better relations between different countries. With respect to the Mediterranean region, culture can be regarded as a privileged tool, the most influential and most effective "channel" to encourage dialogue – and through dialogue, it can ultimately contribute to achieving stability and peace in the area.

The history of the Mediterranean shows that cultural relations have always played a central and strategic role in the millenary relations among the countries facing out onto the Mediterranean Sea. This water basin – which is virtually landlocked by three continents, Europe, Africa, and Asia – has borne witness to some of the oldest civilizations in the world. It was named "Mediterraneus" – which is Latin for "middle of the earth" – by the Romans, and it has served as a transport superhighway, allowing for trade and cultural exchange between the diverse peoples of the region. Through the centuries it has served as a stage for the Mediterranean "melting pot" of cultures and religions, a feature that has remained unchanged to date.

Today as in the past, the sea continues to significantly influence the lives of over 450 million people inhabiting the Mediterranean region; today as in the past, people and communities are central to guiding policies and impacting the destiny of the region. On this basis, a positive agenda for Mediterranean dialogue must include far-reaching initiatives in the cultural field, seeking to capitalize on the linkages and common ground between the different cultures, commu-nities, and people in the area, and to promote – through cultural dialogue – a new understanding and better interaction.

"ITALY, CULTURES, MEDITERRANEAN": A YEAR OF CULTURAL DIALOGUE IN THE MEDITERRANEAN

Building on the Mediterranean's historical legacy in the modern era, in 2018 the Italian Ministry of Foreign Affairs and International Cooperation launched the cultural programme "Italy, Cultures, Mediterranean" to promote dialogue and collaboration between Italy, Middle-Eastern, and southern Mediterranean countries. The goal is to encourage stability in the area, support steady growth, and enhance harmony within the interconnected lands that share the Mediterranean millenary spirit.

Pluralism of cultures, collaboration with local partners, cross-fertilization: these are the key concepts that have inspired the "Italy, Cultures, Mediterranean" programme. As the name suggests, culture – or rather, the pluralism of cultures – is vital to the programme's doctrine: culture appears to be the most effective tool for building an expansive dialogue in the Mediterranean while staying true to the diverse cultures of the region. The goal is to ensure that specificities are recognized for their contributions in the past and their impact is amplified in the future.

In this frame, the purpose of the "Italy, Cultures, Mediterranean" programme is not "solely promotional," but driven instead by a desire to encourage cultural exchange, share growth, and deepen awareness. Most of the projects have

90
archaeological missions led by Italy in the Mediterranean area

Students of Italian language in the Mediterranean (academic year 2016-2017)		
Egypt		121,909
Tunisia		39,602
Algeria		14,441
Morocco		6,392
Lebanon		5,005
Israel		2,755
UAE		1,858
Jordan		1,080
Lybia		471
Palestine		198
Saudi Arabia		187
Oman		166
Qatar		65
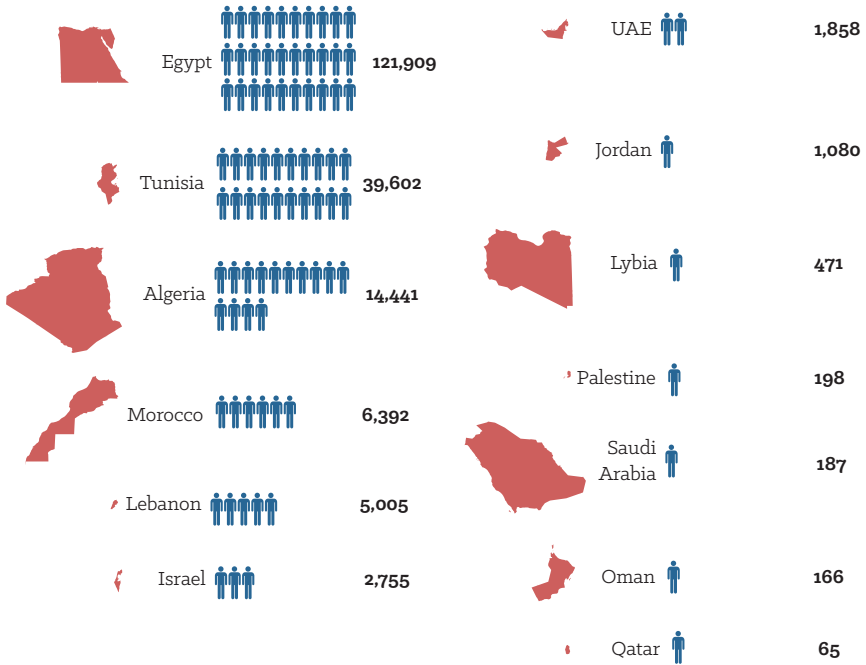
Data: Italian Ministry of Foreign Affairs and International Cooperation

been implemented in collaboration with local partners, thus stressing common roots or planting seeds that will grow into brand new bonds.

More than 300 events have been planned by Italian diplomatic and cultural missions in 16 countries in the areas of music, art, photography, drama, dance, archaeology, cultural heritage, and music, to raise awareness of the fact that culture and mutual understanding can enhance dialogue, stability, and peace. Artistic and cultural collaboration has often served as the serendipitous link across diverse fields. Cooperation in the areas of science and technology has also been included, with a focus on environmental sustainability, around global topics, with an emphasis on regional impact.

THE PAST: CULTURAL HERITAGE PRESERVATION AND SHARING

All the Mediterranean countries share a similar "feeling": an ongoing and sometimes controversial relationship with their past. The region is one of the oldest and most vibrant in world history, and this connection with the

past, its appreciation, its reflection and inclusion into the present is necessary to build up a robust Mediterranean identity.

In this context, the Italian contribution to the protection of cultural heritage in the Mediterranean area follows two main guidelines: the support to several archaeological missions present in the region and, at a multilateral level, the engagement to achieve an increasingly closer cooperation in this field, especially in countries deeply affected by social and political instability. As of 2018, Italy has supported more than 90 archaeological missions in several Mediterranean countries, such as Algeria, Saudi Arabia, Egypt, Jordan, Iran, Iraq, Israel, Lebanon, Morocco, Oman, Palestine, and Tunisia. Archaeological missions are the foundation of our cultural partnership with Mediterranean countries, and they constitute a strong cultural and scientific activity whose purpose is to strengthen the knowledge and enhance the protection and the promotion of cultural heritage for the benefit of local communities, particularly in terms of economic and inclusive growth, inno-

300+
events planned within the programme "Italy, Cultures, Mediterranean"

Italian archaeological missions in the Mediterranean
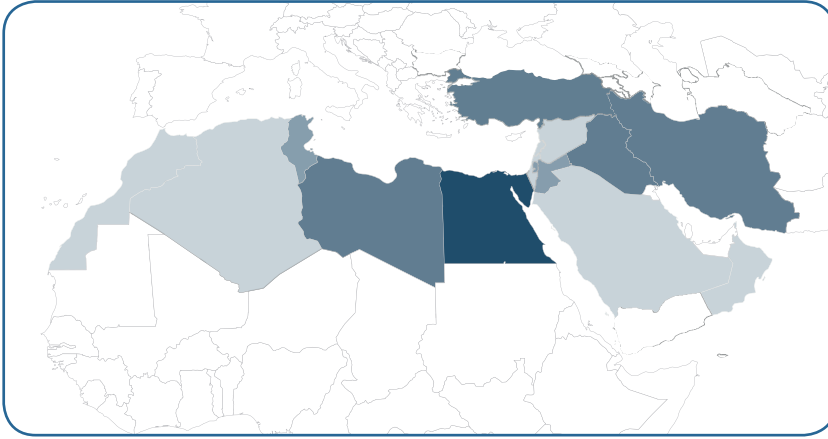

Egypt	**17**	Iraq	**10**	Oman	**3**	Israel	**2**
Iran	**12**	Tunisia	**9**	Morocco	**3**	Saudi Arabia	**2**
Turkey	**11**	Jordan	**7**	Lebanon	**3**	Syria	**1**
Libya	**10**	Palestine	**5**	Algeria	**3**		

Data: Italian Ministry of Foreign Affairs and International Cooperation

vation and sustainable development. Security is not enough; people too need to be involved by developing a strong sense of identification with their past. Italy has thus developed a specific Training and Education Programme that aims to raise awareness on the relevance of cultural heritage preservation. Italy was among the first countries to join the "Unite4Heritage" campaign and established a dedicated national task force to respond to threats to the cultural heritage. Italy also supports extensive cooperation programmes mainly in the field of protection and recovery of cultural heritage carried out by UNESCO, in the belief that safeguarding cultural identities and diversity is essential to encourage dialogue and foster peace-building processes.

The beauty of the unique Mediterranean heritage has been the protagonist of a photo exhibition by the internationally acclaimed Italian photographer Mimmo Jodice. The exhibition, that travels around the Mediterranean region as part of the "Italy, Cultures, Mediterranean" programme events, consists of 40 black and white photos that offer a fascinating vision of the Mediterranean region, creating a sort of ideal journey across the myth, memory, culture, and landscape of the great civilisations that flourished around the sea. On this Mediterranean tour that touched Tel Aviv, Istanbul, Algiers, Cairo, and Rabat, the lens of the artist brings out the wealth of myth and the abundance of cultures and traditions that make the Mediterranean a place of dialogue and cross-fertilization.

The relations between classical and contemporary art is also the central theme of the exhibition "Classic Reloaded. Mediterranean", that brought a selection of works from the MAXXI Arte collection to Villa Audi – Mosaic Museum in Beirut and to the Bardo National Museum in Tunis. In an ideal dialogue between local mosaics and contemporary Italian works, between the artworks on display and the exhibition spaces themselves at Villa Audi and the Bardo, "Classic Reloaded. Mediterranean" intends to represent the diversity of cultures, the co-existence of different peoples that has always been a key feature of the Mediterranean.

194,129
students of Italian language in the southern Mediterranean

THE PRESENT: PROMOTING UNDERSTANDING AND INTERACTION AMONG THE MEDITERRANEAN PEOPLES

People and community should be at the centre of any policies aimed at encouraging peace and stability anywhere around the world. Unlike the spoken word, the language of art knows no boundaries, communicates across barriers, and builds new bridges and connections between people. Starting from this premise, throughout 2018 numerous Italian artists have been instrumental in witnessing the importance and the unique value of cultural dialogue and exchange. Music, art, theatre, dance, photography, literature, design are only a few of the diverse sectors involved in "Italy, Cultures, Mediterranean", charting the course towards a renewed partnership in the Mediterranean region.

Music features prominently too. The Italian songwriter and musician Eugenio Bennato and his band have toured the Mediterranean shores, performing before crowds of youth in Tunis, Algiers, Tangier, Rabat, and Cairo, making them dance and sing along. Bennato has devoted his artistic research to the exploration of Mediterranean sounds, telling tales about legend and reality, celebrating the bond between Southern Italy and the Mediterranean Sea. In the framework of "Italy, Cultures, Mediterranean," Eugenio Bennato and his band addressed the younger generations launching a strong message for peace and contributing to overcoming barriers.

The "Orchestra di Piazza Vittorio", the most prominent multi-ethnic orchestra in Europe, is a successful example of how diverse cultures can come together through the universal language of music. The Orchestra performed in Algiers and Tunis, reinterpreting traditional pieces, in an ideal exercise of intercultural discovery and dialogue made possible through music.

Most of the events have been accompanied by workshops that saw the participation of Italian and local artists, with the aim to facilitate dialogue, driven by the conviction that knowledge and cultural exchange lead to mutual understanding, bring down barriers and eventually lead to stability and peace.

THE FUTURE: EMPOWERING THE NEW GENERATIONS

The empowerment of the next Mediterranean generations lies at the heart of the Italian strategy for the area. "Italy, Cultures, Mediterranean" explicitly aims to lay the groundwork for a long-term plan in which the younger generations are free to choose the keys to interpret the contemporary world better and acquire the tools to build a better future.

In order to engage the "next generations", Italian universities are promoting participation in exchange programmes and scholarships for students from the region have been significantly increased, with the ultimate goal to create opportunities for better mutual understanding and, eventually, to shape effective ambassadors for a better future.

Young designers from the Mediterranean and Gulf region have been involved in the exhibition "The Shapes of Water", in collaboration with La Triennale di Milano. The exhibition showcases objects traditionally connected to water usage along with brand new prototypes created by young designers from the Mediterranean region, in an attempt to reflect on a more rational usage of water and sustainability of consumption.

Overall, the next generations have been the primary recipients of the numerous initiatives organized to promote cultural exchanges through music, visual arts, and theatre.

THE MEDITERRANEAN IDENTITY: THE CULTURE OF DIVERSITY

The Programme "Italy, Cultures, Mediterranean" will come to a close at the end of 2018. Nevertheless, we firmly believe that, thanks to all the initiatives launched and the spirit that animated the programme, we have contributed to sowing seeds that will go robust and that will continue to bear fruit in the future. Specifically, the programme has shown that greater awareness of the cultural diversity that characterizes the Mediterranean can help promote peace and prosperity throughout the region. Our mission now is to protect our unique Mediterranean mosaic and spirit, to overcome bias and bring down barriers in order to advance mutual understanding and cohesiveness.
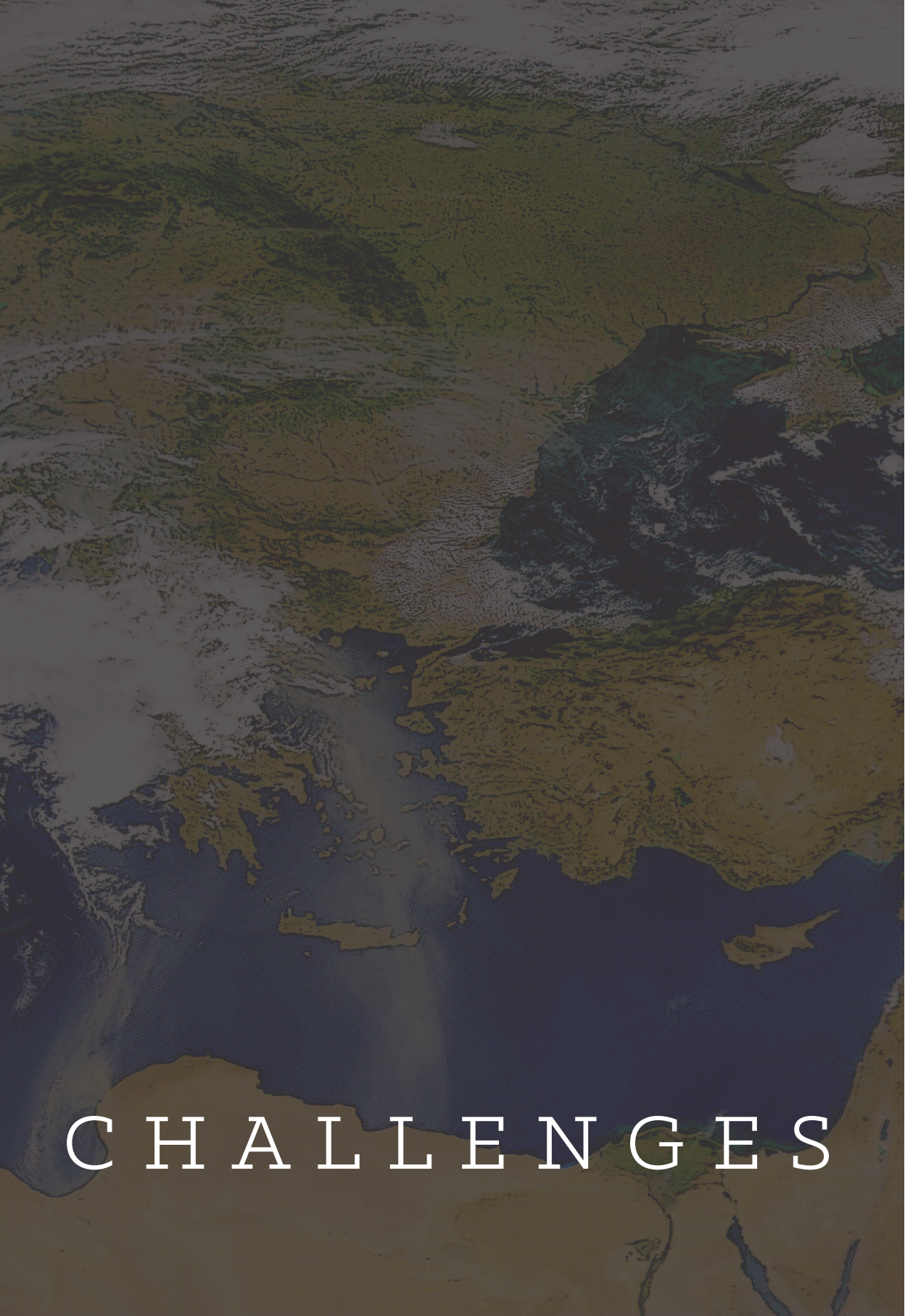
PART
TWO

CHALLENGES

1

SHARED
SECURITY

1.1

Beyond the JCPOA: the renewal of Iranian diplomacy

Dorothée Schmid, Head of Middle East/Turkey Programme, Institut Français des Relations Internationales (IFRI)
Adrian Giorgio Brillat, Research Assistant, Institut Français des Relations Internationales (IFRI)

Launched under the auspices of Hassan Rouhani, the "progressive" candidate who would become President of Iran in 2013, the negotiation over Tehran's nuclear program was considered a diplomatic breakthrough that benefitted all the stakeholders. It was evidence of the fact that the United States and the other members of the P5+1 (China, Russia, and the EU strategic triad of partners: France, Germany and the UK) had finally reached an agreement on multilateral objectives to secure the Joint Comprehensive Plan of Action (JCPOA) that paved the way for the interval of détente that started in July 2015. The diplomatic window, however, seemed to close again with the dramatic withdrawal of the United States from the agreement in May 2018. Yet the impetus provided by the JCPOA persists, and the Iranian regime is now called to prove its good faith and to search for counter-alliances. What foreign policy lessons can be drawn from this whole sequence of events?

The consistency of Tehran's traditional foreign policy objectives

Since 1979, Iran's foreign policy has structured around three main pillars, all of them essentially aiming at sustaining the new regime, that perceived itself as a fragile player surrounded by hostile forces.

The first goal of the Iranian theocracy is to embody Islamic leadership by exporting the revolution. It is both a geopolitical ambition and a religious one, essentially counting on the mobilisation of Shia groups across the Middle East, building them into a flexible network of intervention that can be activated in various geographical contexts – from Iraq to Lebanon, Syria, Yemen, or even Bahrain. Iran's first historical area of influence has been Lebanon, where links with the Hezbollah movement date back to the 1980s. Lately the Shia "resistance block" has been consistently reinforced by the Iranian intervention in the Syrian war.

The second permanent objective is to fight against foreign and "imperialist" influence in the Middle East. Since the revolution, Tehran has adopted an anti-imperialist rhetoric especially targeting Washington, perceived as planning destabilisation operations against the Islamic Republic.

The third aim is to develop relations with other emerging powers, such as China or India. This buttresses Tehran's capacity to counter Western influences in its regional neighbourhood – looking east. It is also essential to provide Iran with strategic depth, through diplomatic, economic and even military partnerships with Asian stakeholders.

The launching of Iran's nuclear program can itself be understood as yet another attempt to guarantee the protection of the regime. Moreover, Tehran continued to consistently pursue the three above-mentioned goals even while under sanctions. The development of Iran's tools of coercion did not stop during the JCPOA negotiation, nor did Iran's involvement into several regional conflicts (Yemen, Syria) come to a halt after the agreement was signed. On the contrary, the agreement could be said to have helped reduce economic pressure and therefore to have allowed Tehran to spend more on

23.7%
GDP share of Iranian oil exports in 2017

THE BENEFICIAL EFFECTS OF THE END OF THE SANCTIONS
… AND THEN? FDI flows in Iran (millions of US dollars)

US sanctions imposed

Sanctions lifted

?

New sanctions imposed by Trump

6000
5000
4000
3000
2000

2011 2012 2013 2014 2015 2016 2017 2018
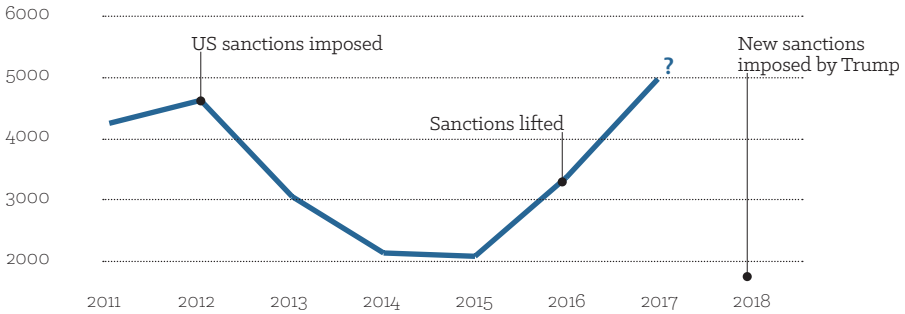
SANCTIONS AND OIL PRODUCTION
Iran's oil production in thousands of barrels per day

| 4,292 | 4,430 | 4,472 | 3,820 | 3,617 | 3,724 | 3,862 | 4,602 | 4,982 |
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
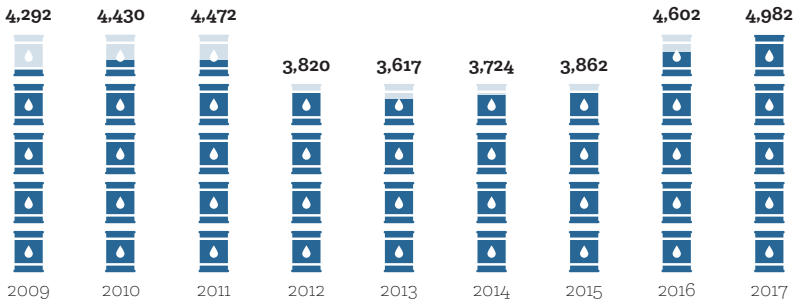
WHO BUYS IRANIAN OIL?
Iran crude oil importers (2018 average)

623 barrels per day

Global partners
European partners

| China | India | UAE | South Korea | Turkey | Italy | Spain | Japan | Greece | Syria | Croatia |
| 623 | 499 | 150 | 145 | 141 | 137 | 103 | 46 | 36 | 36 | 35 |
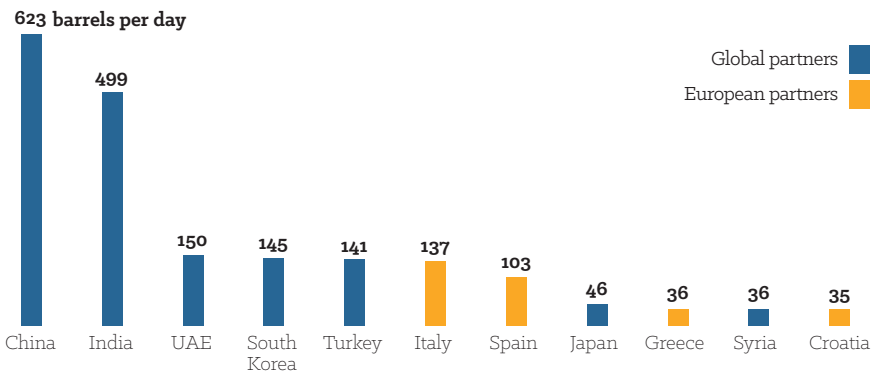
Data: UNCTAD, BP Statistical Review, TankerTrackers, S&P Global Platts

$39 billion

in Boeing and Airbus
contracts are at stake
in Iran

its networking strategy – Iran's massive en-
gagement in Syria was an expensive move and
had to be set against a realistic cost-benefit ap-
proach.

Diplomatic stakes and risks thereafter

The lengthy quest for an agreement to regu-
late Tehran's nuclear program carried with it a
number of implications for the country's future
strategic choices, both internally and externally.
On the one hand, the signing of the JCPOA was
seen as a way to support the reformist com-
munity supposedly struggling for liberalisation
inside the Iranian regime. On the other, it pre-
sented Iran as a valid partner in international
negotiations and marked the end of systematic
isolation. It certainly allowed for the immediate
and rapid re-opening of communication chan-
nels and revival of diplomatic ties between Iran
and the West. Hassan Rouhani's tour of Europe
at the beginning of 2016, that characterised the
post-JCPOA phase with a series of visits to It-
aly and France, also sent out signals for future
political and economic partnerships. Promising
business prospects reached their peak in 2017,
as many European companies started to in-
vest considerable resources to lay the legal and
physical groundwork that would allow them to
return in Iran.

However, President Trump's hostile rhetoric
and policies were a brutal wake-up call signal-
ling that the interval of détente had come to an
end. This change of attitude in Washington not
only puts considerable strain on transatlantic
relations,[1] but also jeopardizes the trust recently
established with the other two relevant super-
powers, China and Russia, and will therefore
automatically and symmetrically affect Iran's
future choices. Reversing the rationale that
had led to the agreement, the American pres-
ident has now threatened to thwart Tehran's
ambitions to establish a foreign presence in the
Middle East, and to ultimately trigger a regime
change in Iran through the tightening of social
and political conditions there.

In the present post-JCPOA context, the re-
gime's internal legitimacy and its acceptabil-
ity on the international scene are both being
openly questioned by the United States and its
cluster of allies, among which Saudi Arabia and

+13.4%

GDP growth in Iran
in 2016 after the san-
ctions were lifted

The EU: a crucial trade partner for recovery
EU imports from Iran (millions of euros)

2010	14,528
2011	17,329
2012	5,652
2013	783
2014	1,158
2015	1,254
2016	5,513
2017	10,142

Data: Eurostat

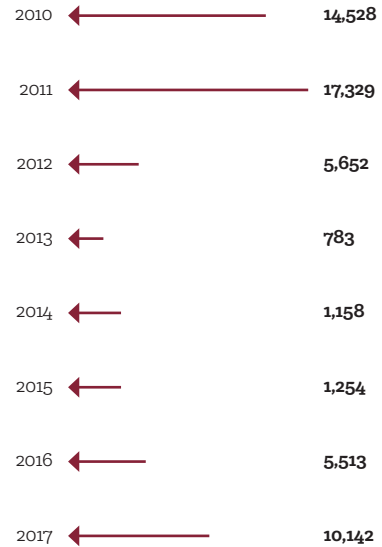Israel, who are the most prominent regional en-
emies of Iran. Washington's capacity to engage
other countries in an effort to isolate Iran again,
notably through the use of secondary sanctions,
is not negligible either: the EU is already caught
between a rock and a hard place, trying to juggle
its economic interests and the urgent need to
preserve the climate of understanding and the
multilateral institutional framework that even-
tually resulted in the JCPOA. Additionally, the
creation of two antagonistic regional blocks is
bad news for most EU member states (notably
France and Germany), who would rather main-
tain good relations with both sides.

The Iranian regime's current position is of
course even more uncomfortable. During the
short period of time when sanctions were par-
tially lifted, Iran experienced the benefits of
international re-socialisation. While Iranian
authorities have developed an increasingly ag-
gressive anti-American discourse in the imme-
diate aftermath of the US withdrawal from the
JCPOA, they seem to be fully aware of the need
to preserve the country's improved standing
in the overall multilateral system. There is no
doubt as to Iran's determination to act on mul-

tilateral fronts in order to undercut isolationist policies. Yet Iran's foreign policy retains a tradition of disruption that might be revived by the perception of the new heavy constraints being imposed by the US-led alliance.

A POST JCPOA PERSPECTIVE: NETWORKING AND COERCIVE MEASURES

As suggested by its foreign policy moves in the fall of 2018, Tehran's reaction to the offensive launched by the Trump administration seems to be rather sophisticated. The objectives of the Iranian authorities are quite obvious: breaking free from American sanctions and reinforcing the regime's legitimacy and stability through international action and recognition. To this end, Iran will predictably make use of both diplomacy and political coercion.

The Iranian management of the Syrian crisis is the most telling example of the regime's ability to mix negotiation and coercion in a delicately balanced power-politics approach. Tehran's political investment in Syria dates back to the 1980s but decisively intensified in the context of the war. Syria's battlefield has in fact been systematically used since 2011 to bolster Iranian influence through a wide range and style of actions, primarily military engagement. The conflict has given an opportunity to reactivate and strengthen the links with the Lebanese Hezbollah, that has become one of Iran's most effective proxies in the Middle East. Tehran's first objective in Syria was to maintain Bashar al-Assad in power. This objective was in line with Russian priorities and allowed for a rapprochement with Moscow that turned out to be an invaluable asset after Washington's volte-face on the JCPOA. Iran's later commitment to the Astana peace negotiation expanded its regional reach to Turkey – a relatively weak actor within the Syrian context at the time, but a key Sunni power competing against the Saudis for influence in the region. The Russian-engineered peace process confirmed the status of Iran as a rational regional player who should have a say and a role in the framing of a future security architecture for the Middle East. The latest round of negotiations, held in Tehran in September 2018, offered a spectacular showcase for Iranian diplomacy, displaying its subtle sophistication and capacity

to adapt to a multilateral system of discussion – in spite of the fact that the outcome of the summit was not particularly convincing.

Building on these recent gains, the deterrent side of Iran's foreign policy should ideally be gaining momentum. Iran participates in its own way in the ongoing arms race and the strategic balance in the region. Although the Iranian military is not one of the most advanced, its paramilitary forces and militias have shown their ability to fight and hold ground both in Iraq and in Syria. Additionally, Tehran's ballistic programme has made progress, and it can now rely on missiles with a range of approximately 2,000 kilometres, that could hit Israeli targets or any US military base in the region. Thus Iran is not only in possession of defensive weapons, but it could make use of its missiles for offensive purposes too. The JCPOA gamble is therefore raising further questions in the prevailing climate of tension, when considering the possibility that those weapons could become nuclear weapons.

On the economic front, Iran is working hard to keep potential investors at hand in spite of the sanctions. Relationship with China and India have been improving lately, with both countries being ardently wooed as important energy buyers. Legally contesting the sanctions has been another diplomatic option for Tehran, including filing a complaint with the International Court of Justice (ICJ). On 3 October the ICJ issued an order requiring the United States to withdraw economic sanctions and compensate Iran for the associated losses. It is very unlikely that the US will conform to this decision, but the matter has allowed Tehran to be regarded as a champion of fair play.

If this first strategic step is ineffective in redressing the Iran-US relationship, or should regional escalation erupt, Tehran could now resort to coercive means to target American interests in Syria, Iraq, Afghanistan, the Gulf, and possibly in Lebanon. But such a degradation of the situation would not be in anyone's interest and it would be especially inacceptable to European and Russian interests. Thus multilateralism combined with coercion seems to have become Iran's most powerful weapon to defend the country's interests.

The Syrian quagmire: who will win the peace?

Lina Khatib

Head of the Middle East and North Africa Programme, Chatham House

68% of GDP

the economic impact
of violence in Syria

$388 billion

the cost of Syrian
war destruction esti-
mated by the UN

In the immediate aftermath of April 2018's brief missile attack on regime targets in Syria – launched by the US, UK and France in retaliation for the regime's use of chemical weapons in Douma – President Bashar al-Assad's office released a short video showing Assad calmly walking to work. Protests against the attack were staged in public spaces in Damascus. Russia resumed its aerial bombardment of rebel-held regions, helping the regime to take back Eastern Ghouta then extending the campaign to Deraa in the south-west.

In short, once the attack was over, the regime side wanted to show that it was business as usual. And in a ghastly sense, it was. The seven-year-long war, which has now cost the lives of hundreds of thousands of civilians, continued. Assad, bolstered by both Russia and Iran, remained in a position of strength. The West, once a few bombs had been dropped, just moved on to other crises – North Korea, Iran, trade rows, or whatever else it may be.

A CONFLICT WITHOUT SOLUTION?

The world knows enough about the Syrian people, the oppression they have suffered and the resistance they have mounted, to understand that there can be no real peace while Assad remains in charge. And yet, now that its own loyal constituency has been reinforced for seven years by Iranian-backed troops and for three years by Russian air support, the idea of Assad being defeated is fading from mind. We have begun to think of Syria as a problem without a solution, and its anguish as an agony without end.

And yet. We know that wars do, eventually, come to an end. So, some day, will this one. If, with an unflinching eye, we attempt to look forward to how this one will finish, then – perhaps – we just might be able to work backwards from that to write the peace plan that is so patently required. And indeed, if we are watchful and clear-headed enough, we may be able to identify moments of missed opportunity among the despair, which will give something to work with. Indeed, the way that Syria's allies reacted to the threat of that Western attack back in April highlights a possible opening for a genuine attempt to create a plan for peace. Nervousness on the part of both Russia and Iran suggests they are not as confident as many in the West now assume. Further hints of nervousness came with the Russian-Turkish agreement on Idlib and Iran's decision to stay out of any Idlib offensive. However, this nervousness can only be capitalised on if there is a comprehensive political strategy for Syria – and, crucially, a strategy formulated by the United States.

WHAT IS AT STAKE FOR RUSSIA AND IRAN?

April's rapid return to the brutality of what passes for Syrian "business as usual", after American rhetoric on retaliation that had stirred real fears within the Russian government and the Syrian regime, confirms that the United States and its allies missed an opportunity. Despite its incensed verbal response to the US threat, Russia hardly wants to enter direct confrontation with the United States. But as long as it feels that the United States is not serious about ending the Syrian conflict, it will

SYRIAN CONFLICT ON THE GROUND
Areas of influence in Syria (as of 27 August 2018)

TURKEY

Manbij
Al-Hasakeh
Ayn Issa
Aleppo
Ar-Raqqah
IRAQ
Idlib
Latakia
Khan Sheikhoun
Deir al-Zour
Khusham
Tartus
Hamah
Homs
LEBANON
Tadmur/
Palmyra
Damascus
Eastern Ghouta
At Tanf
ISRAEL
Dar'a
As-Suwayda
JORDAN

Southwest ceasefire area ....
(includes buffer)

Astana de-escalation areas – – – –

Reported chemical weapons attack

Strike by U.S. and/or allied forces

Areas of Influence or Presence
*Approximate
and subject to change*

Syrian Kurds and Aligned Forces

Syrian Government and Aligned Forces

Islamic State Forces

Syrian Opposition Forces

Turkish Military and Aligned Syrian Militias

U.S./Coalition Military

Data: UNDOF (United Nations Disengagement Observer Force)

THE BIGGEST REFUGEE CRISIS IN THE WORLD
Numbers and locations of Syrian refugees and IDPs (as of September 2018)

TURKEY

Al-Hasakeh
Ar-Raqqah
IRAQ
Aleppo
Idlib
Latakia
Tartus
Hamah
Deir al-Zour
Homs
LEBANON
As-Suwayda'
Damascus
Damascus
countryside
ISRAEL
Dar'a
Al Qunaytirah
JORDAN

5,625,611
total number of registered Syrian
refugees

13 million
people are estimated to be in need
of assistance in Syria, including
more than **6.2 million** internally
displaced persons (IDPs)

1,060,085
total number of first time asylum
applications by Syrians in Europe,
between April 2011 and July 2018

1 million
400.000
100.000

Syrian IDPs site

Syrian refugee camp

Camp hosting Syrian IDPs and Iraqi refugees

Border crossing

Populated areas inside Syria

Turkey **3,564,919 refugees**
95% non camp, 5% camp

Lebanon **976,002**
100% non camp

Jordan **671,428**
81% non camp, 19% camp

Iraq **248,698**
63% non camp, 37% camp

Egypt & N. Africa **164,564**
100% non camp

Data: Eurostat, Government of Turkey, UNHCR, UN OCHA, UNRWA, USG

−13.3%

the decrease in
Syrian population
since the war erupted

continue its activities in Syria undeterred. The United States need not embark on confrontation with Russia, but Washington needs to be clear headed about Moscow's motives, which are to maintain long-term influence in Syria and to be the main power broker in the country. Although these two goals are not likely to shift, the way to achieve them is not fixed in stone: Moscow would be willing to compromise if it sees that the United States is serious about ending the conflict.

Assad's survival helps Russia achieve two main goals – one practical, the other political: firstly, through Syria's warm-water port in Tartus, Russia has a crucial foothold on the Mediterranean; secondly, Russia's ability to prop up the Syrian regime shows that it can stand up to the West, bolstering Putin at home and among his allies abroad.

Russia will continue to use Assad for as long as he remains useful for furthering these objectives, but it is not wedded to having him in power so long as those main goals – access to the Mediterranean, and global stature – can be achieved in other ways. And Russian support for Assad does not mean tolerating all his actions. In April 2017 in the aftermath of the chemical attack, Putin's spokesman Dmitry Peskov said about Assad that "unconditional support is not possible in this current world." Russian pragmatism towards Assad presents a potential opening for the United States, were it to seek a compromise solution. It is not inconceivable for Russia to accept the removal of Assad, in return for retaining its economic and security interests in Syria.

Russia will also continue to ally itself with Iran for as long as it is useful, but this alliance will not likely be favourable to Russia in the long run. Had it not been for Russia's surprise intervention in 2014, Iran alone would not have been able to save the Assad regime. The Alawite community that Assad himself comes from is aligned with Sunnis and Christians in Syria in seeing Iran as the less desirable of the two main foreign actors supporting the regime. Many on both the regime and opposition sides are saying that they would be more accepting of Russian long-term influence in Syria than Iranian influence.

The Syrian war in numbers

Death toll since 2011:
at least 400,000

of which:
25,000 children

People living in poverty:
82.5%

Internally displaced people (IDPs):
6.2 million

Refugees abroad:
6.3 million

Housing units that were damaged/destroyed:
31%

Economic loss due to the conflict:
$30 billion

Data: UNICEF, UNHCR,
World Bank and UN estimates

Whether through war or negotiations, it seems that Iran will be the biggest loser in Syria in the long-term. Russia is actively aiming to limit Iran's geographical and economic influence in Syria, overriding land purchase and business deals between Tehran and Damascus. Russia would be willing to sacrifice its partnership with Iran in return for maintaining long-term influence in Syria, just as it would be willing to sacrifice Assad personally.

Iran is aware of this and is therefore seeking to plant the seeds of long-term grassroots influence in Syria in preparation for a post-Russian partnership future. But economic pressure on Iran coupled with serious American diplomacy could push it to agree to a deal that includes economic incentives in return for domestic reforms and containment of its involvement.

This will not be easy to achieve because severing Iran's access to Lebanon through Syria means the end of its influence in the Levant. It will take significant pressure and planning by the US and its allies to convince Iran to agree to a compromise that would also satisfy Israel and Saudi Arabia. Iran will only compromise if it feels that all other options have reached a dead end, but its current nervousness signals that while reaching this goal will be difficult, it is not impossible.

Looking for a US-led political strategy

Only one player on the world stage is capable of pushing for this goal to be realised and instigating a meaningful peace process, and that is the United States. If America could summon the will, it could take advantage of the Syrian regime's increasing dependence on Russia and Iran, and exploit the nervousness of – and the differences between – Assad's twin backers. Right now, the biggest block on a deal with Iran is the intransigence of President Donald Trump. Trump, Putin and Netanyahu appear aligned in thinking that restoring Assad's authority in Syria with Russian oversight is the way to contain Iran. But Iran regards Assad as a client and will not accept a scenario in which he remains in power at its own expense.

Iran is not alone in regarding Assad as a client. Although the Syrian regime does not entirely act at the whim of its Russian saviour,

its independence vis-à-vis Moscow has been steadily compromised. Nor do the Syrian political opposition and the various rebel groups on the ground currently enjoy the agency that would be required to kick off a viable peace process for Syria. The United Nations' Geneva process has illustrated that it is incapable of achieving a peace deal, while Russia's parallel supposed efforts – through the Astana and Sochi processes – were never serious attempts at reaching peace. So while the United Nations and various Syrian players must of course be part of any peace settlement in Syria, they cannot be expected to be the instigators of the process that will lead to it. Only the United States can play this role.

Although the building blocks for peace in Syria are found outside the country, no peace plan for Syria can be implemented without a thorough understanding of local, on-the-ground dynamics inside the country. As one delves more deeply into the various issues a transitional government would face, from service delivery to local security provision to dealing with the internally displaced, it becomes apparent that these issues carry different dynamics in different areas in the country. Local residents in different places have survived the war by developing different local strategies They have struggled for such freedom of action as they have been able to achieve, and are not going to give it up lightly. It is therefore crucial for any national policy to be built on bottom-up engagement with people. After all, it was the lack of this kind of engagement that led Syrians to protest against the regime in 2011.

What is blocking peace in Syria today is not Gulf countries, which are growing impatient with Iran's influence in the Arab world. Nor is it Turkey, which ultimately acts pragmatically if it sees that its interests are going to be met; it is still in NATO, and would abandon its forced alignment with Russia if the United States addressed those interests. Nor is it the chief keeper of the conflict, the Syrian regime itself, since it would have collapsed long ago, had it not been for Iranian and Russian support. What is blocking peace is the lack of a US-led political strategy that sends a strong message to Russia and Iran that they have no choice but to compromise.

1.3

Libya:
a new beginning

Arturo Varvelli

Senior Research Fellow and Co-Head MENA Centre, Italian Institute for International Political Studies (ISPI)

The episodes of violence that broke out in Tripoli, the Libyan capital, between August and September 2018 have diminished in intensity but have not come to an end. This is an indication that the Libyan crisis persists and that the inability to regain the monopoly on the use of force has triggered ungovernability, which will not be easily overcome in the short term. Although the Government of National Accord (GNA) has been in place in Tripoli for two years, the current scenario shows that state institutions are still weak and have managed to regain control over only a limited part of the Libyan territory. Even though these institutions are recognised on the international level, the local scene is dominated by sub-national entities, which prevent the restoration of restoring legitimacy and the construction of a sense of belonging and identity bringing the whole country together.

The GNA seems to have fallen victim to the very same militia it relies on to ensure its security in Tripoli, while the Field Marshal Khalifa Haftar appears to be gaining consensus not only in the eastern part of the country – where he controls the majority of the Libyan Army militia –, but also in the south and in the west. In this scenario, it is highly doubtful that elections will actually take place on 10th December, as originally envisaged at the Paris Summit in May 2018. The reasons behind this institutional impasse are quite evident. At the Paris Summit it was decided that the temporary Constitution would be approved via referendum. This Constitution was to define the institutional aspects of the elections and was drawn up by the Constitutional Assembly. However, it was only at the end of September

that the Chamber of Representatives in Tobruk voted in favour of the referendum, but the actual date remains uncertain. In the current institutional system, as drafted in the temporary Constitution, Haftar cannot be on the ballot, since he holds dual citizenship. This means that Libya requires electoral legislation for both parliamentary and presidential elections. Additionally, the action of several external actors is worsening an internal situation, which is already intricate, since the interested players are now attempting to make the most of the current Libyan situation exploiting chaos and instability.

United we stand, divided we fall: the case of international actors

While French President Macron has been pressuring for compliance with the elections deadline, at a recent United Nations General Assembly meeting the United States, Great Britain and Italy clearly expressed their disagreement. The UN Envoy Ghassan Salamé has repeatedly warned against the fact that the status quo may not last long. Due to the protracted situation of political stalling and the inefficiency of the UN in resolving the dispute, on 5th September Salamé submitted a range of alternatives to the Security Council, in case proper legislation is not in place by the said deadline. In the definition of a sort of Plan B that veers away from the actual roadmap – that aimed at a revision of the Skhirat accord of 2015, which *de facto* never occurred – the new Deputy Special Representative for Political Affairs in Libya, Stephanie Williams, has been particularly proactive. The Libyan dossier has been handled by the various international actors

180,987

the number of IDPs
in Libya

AN ONGOING CONFLICT WITH MULTIPLE ACTORS
Areas of influence and presence of different actors in western Libya (as of September 2018)

Sabratha

Qasr bin Ghashir

Tripoli

Zauia

Khoms

Misurata

Sirte

Zintan

Garian

Tarhuna

Legend:
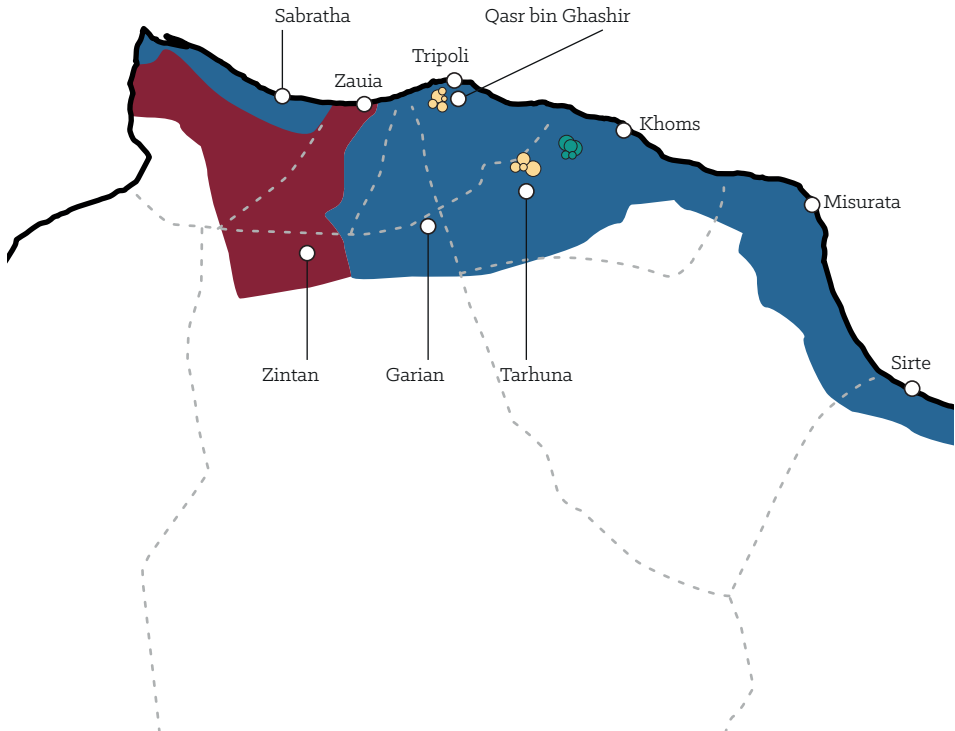
- Pro-GNA government
- Pro-Haftar
- Former pro-GNA militias
- IS presence
- ○ Main cities

Pro-GNA militias

Main cities:
Sabratha
Tripoli
Khoms
Misurata
Sirte
Garian

Main militias and their presence:
Nawasi Brigade
Tripoli Revolutionaries Brigade
Special Deterrence Force
17th Unity of Security
Brigade 301
Bunyan al Marsous

Former pro-GNA militias

Main cities:
Tarhuna
Tripoli

Main militias and their presence:
Al Samsoud Brigade
7th Brigade

Pro-Haftar militias:

Main cities:
Zintan
Zauia

Main militias and their presence:
Sawaiw Brigade
al-Qaqa Brigade

Data: Homeland Security Committee

10,000

through unilateral initiatives, and Italy, France, Egypt and other regional players have made no attempt at coordinating individual efforts. This must change, because working towards a series of coordinated actions would contribute to paving the way to stability. In this phase of the crisis, reaching an agreement among the main international actors appears more urgent than bringing Haftar and Serraj to shake hands. It is only by dealing with the Libyan factions jointly that the international community could foster more constructive dialogue between the parties.

The path toward the elections should be defined according to a clear and shared view, especially regarding the stages of expected progress over time. The road is not devoid of obstacles, to be sure. Haftar, for one, appears to have claimed that pursuant to changes in the Constitution prior to the referendum, elections must now be convened according to the new temporary legislation, with no need to wait for the Parliament to work on the matter.

Additionally, international, regional and local actors have so far failed to take this opportunity to address important issues under the UN umbrella, such as the allocation of oil profits – a point that seems to have been deliberately pushed back into the background – or an increased involvement of military actors in the country's defence system, following the attempt made in Cairo. Addressing these issues would translate into important steps forward.

State building in a rentier state

Although little mention is made of either oil profits or the control of hydrocarbons, these are actually central elements in the game involving internal and external actors, and they require more discussion in the context of negotiations. In fact, failing to determine how the oil industry should be managed and how revenues should be redistributed among the multiplicity of Libyan actors (municipalities, regions, minorities, etc.) limits the scope of negotiations significantly. Even the sanctions envisaged to ensure unity among Libyan financial institutions have not succeeded in preventing their fragmentation into several parallel entities. In addition, Haftar's (unsuccessful) attempt to grant the Libyan National Oil Corporation (LNOC) in Benghazi the
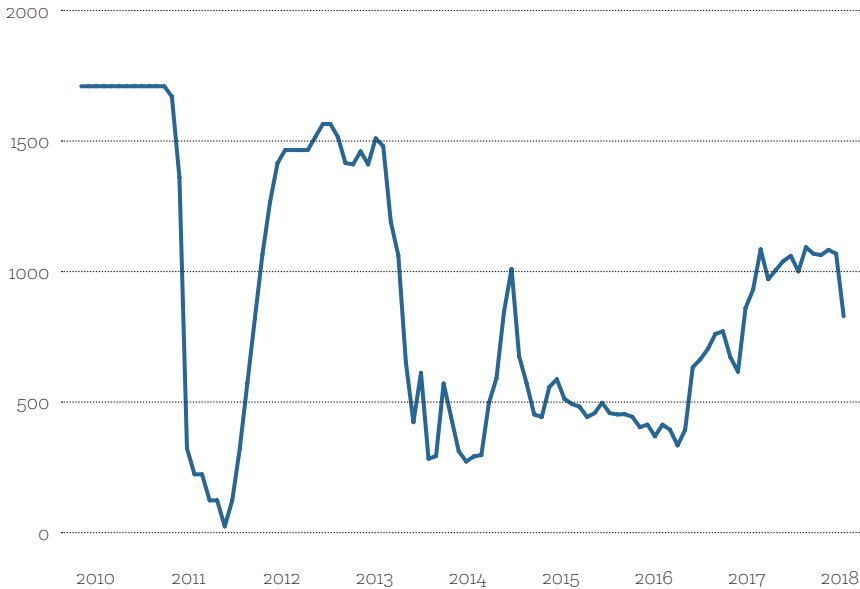
right to sell the hydrocarbons coming from the installations he controls constitutes a serious threat to the possibility of reaching unity in Libya.

As far as oil revenues are concerned, there is room to make redistribution smarter and more effective. Redistribution could promote a minimum level of widespread well-being and revitalize production activities. In the long term, it could even replace the black economy with formal activities, resulting in a decrease in illicit trafficking and making local communities more clearly aware of the benefits that issue from a rentier state. It is clear that the country's security and economy must go hand in hand with the reconstruction of the Libyan state.

It is not coincidental that these themes have been highlighted in the consultation process started by the United Nations in the framework of the National Conference Process (NCP). This state-building project was launched last year by Ghassam Salamé and it has met with some degree of success. Although open to all community members, the consultations mainly brought together key decision-makers and local power brokers – most notably elected representatives, former ministers, militia commanders, municipal council members, tribal elders and other local notables, and civil society representatives. Over 14 weeks, more than 70 distinct National Conference consultations were held in 43 different locations inside Libya, as well as with diaspora groups abroad. More than 7,000 Libyans participated directly. The NCP found that questions which had dominated the Skhirat negotiations and other subsequent political negotiations, particularly on the composition and structure of the Presidency Council and Government of National Accord, were at best marginal to solving the conflict in the view of many Libyans. For most Libyans the key factors driving the conflict were the fair distribution of Libya's resources, decentralisation, reform and reconstruction of the security apparatus, disarmament and reintegration of militias, preserving and unifying Libya's sovereign institutions, economic reform and ending the transitional phase.

These issues require structural reforms and fundamental changes to produce a sustainable solution to the crisis. Once the final report of the NCP is completed and submitted to the UN

Monthly oil production in Libya (thousand barrels per day)

Data: OPEC

Special Representative, the latter shall convene a final session of the National Conference to present and discuss the results of the consultation process and agree upon concrete initiatives to implement these results. This would be the first time in Libya's recent history when key substantive issues driving the conflict could be discussed in a formal national setting. Consequent to this final session, a consensus document will then be drafted on a set of fundamental changes to the current governance system in Libya.

Traditional peace-making efforts have failed and will continue to fail in Libya because the fragmented socio-political landscape renders it impossible to include all pivotal actors in a direct negotiation process. That is also because the crisis of representativeness in Libya means that constituencies do not recognise the authority of their purported representatives. The National Conference Process was designed precisely to help mitigate those negative aspects of the Libyan political landscape.

Libya's future at a crossroads

To conclude, it is clear that nation-building and state-building initiatives need to occur in a context of consensus among the international actors, in order to be conducive to a conciliation process. In light of this, the return of the United States to its role of political leadership in the crisis would be desirable, since the void created by the Trump Administration's withdrawal has triggered competition among external actors and has ignited mounting rivalry between Italy and France. Each country's interests need to be clearly identified and set at the centre of foreign policy actions. However, it would be inconsiderate to pursue those interests without taking into account realism and pragmatism as essential tools in any personal agenda. Understanding the motives and concerns of other actors on the Libyan question – where several have a legitimate standing, from regional actors to European partners – can lay the basis to identify a common factor. This, together with a new focus on the economy and a real disarmament, demobilisation and reintegration program, could help reverse the zero-sum game in Libya, which has persisted so far due to the different and diverging drives of the various actors, both internal and external alike.

1.4

Yemen:
a never-ending conflict?

Adam Baron
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8.4 million

people are
food insecure
in Yemen

75%
of total population
in Yemen requires
humanitarian
assistance and
protection

Long among the Arab World's most impoverished and conflict-wracked countries, the latest round of extended conflict has pushed Yemen to the breaking point. The humanitarian crisis has brought the country to the edge of famine. The economy has neared the brink of collapse. State institutions have weakened to the point of evaporation. All the while, polarization and politicization have threatened to rupture the country's social fabric, something that will likely leave a deep mark on generations to come.

THE ROOTS OF THE CONFLICT

It is a long way from the halcyon days of Yemen's 2011, Arab Spring-inspired uprising and the optimism of the internationally backed transitional period that followed. The uprising against Yemen's long-time president, Ali Abdullah Saleh, initially saw youth activists, civil society and the country's mainstream opposition join forces with the Houthis, a Zaidi Shia rebel group who had battled the central government in a series of six wars, and the Southern Movement, an umbrella group of forces calling for a return to autonomy in Yemen's formerly independent south. But the UN-backed, Gulf Cooperation Council (GCC)-mediated deal that paved the way for Saleh's exit framed the uprising as a political crisis between Saleh's party, the General People's Congress (GPC) party, and the establishment opposition Joint Meeting Parties (JMP), leaving out many of the key groupings that took part in the crisis.

All the while, gestures towards inclusivity and political reform centred in Sana'a were overwhelmed by events on the ground elsewhere in the country. In the south, southern secessionists who felt marginalized in the wider transitional process emerged from the shadows, growing increasingly blunt in their demands for a return to independence in the former People's Democratic Republic of Yemen (PDRY). And in the north, clashes between the Houthis and their various adversaries inched closer and closer to Sana'a, eventually taking hold of the capital on 21st September 2014. Following a series of unsuccessful attempts to broker some sort of power sharing deal – and a series of events that included the mass resignation and mass arrest of a consensus government, Hadi's escape from house arrest to Aden, and a scorched-earth Houthi attempt to take over Aden – a Saudi led coalition declared the start of a military intervention in the form of Operation Decisive Storm on 26th March 2015.

NO SOLUTION IN SIGHT

More than three years later, a solution seems as far away as ever. That is not to say that the coalition has not made any progress against the Houthis. Since roughly the start of their intervention, the Houthis have been in a state of retraction. They have been pushed out of key cities like Aden and Marib, losing control of the bulk of Yemen's Red Sea coast. But, for the moment, the Houthis have retained control of the bulk of Yemen's northern highlands, including Sana'a, sup-

AN ONGOING CONFLICT WITH MULTIPLE ACTORS
Areas of influence and presence of different actors in Yemen (2018)

As of 23 July 2018.
Areas are approximate
and subject to change

Sa'adah

Sana'a

Ma'rib

Hodeidah

Mukalla

Taiz

Balhaf

Mokha

Aden

	Area of influence		City Control
Hadi Government-aligned Forces backed by the Coalition			●
Houthi Forces			●
AQAP & Tribal Allies			
UAE-backed Southern Transition Council			●
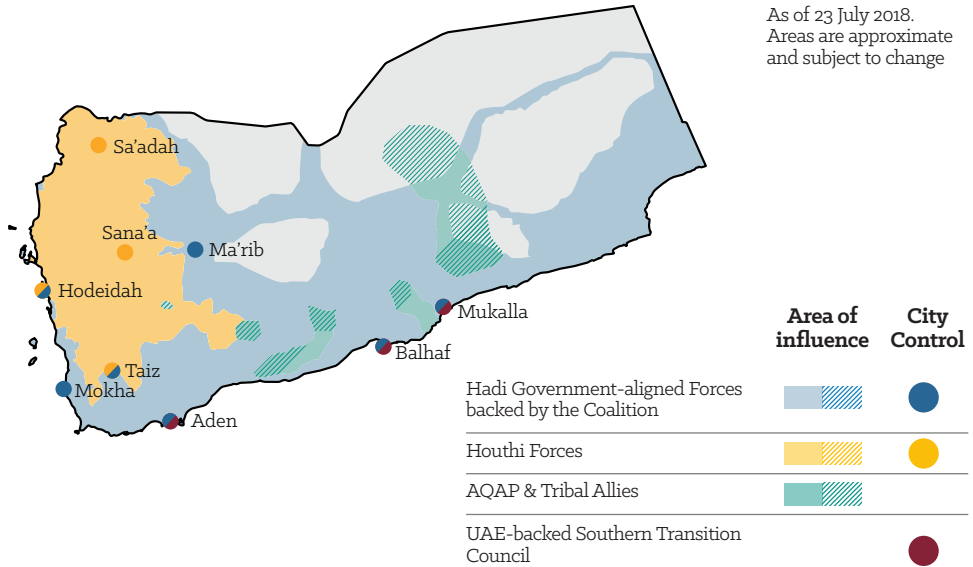
THE FAMINE CRISIS
Global Actual Malnutrition (GAM) rate classification in Yemen (2018)

Amran

Sa'adah

Al Jawf

Hadramaut

Al Maharah

Hajjah

Amanat

Al Asimah

Al Mahwit

Ma'rib

Hodeidah

Sana'a

Ahabwah

Raymah

Dhamar

Ibb

Abyan

Taiz

Al Bayda

Lahj

Aden

Al Dhale's

Socotra

GAM Rate Classification

Critical situation (15% and above)

Serious situation (10% - 14.99%)

Poor situation (5% - 9.99%)

Normal situation (less than <5%)
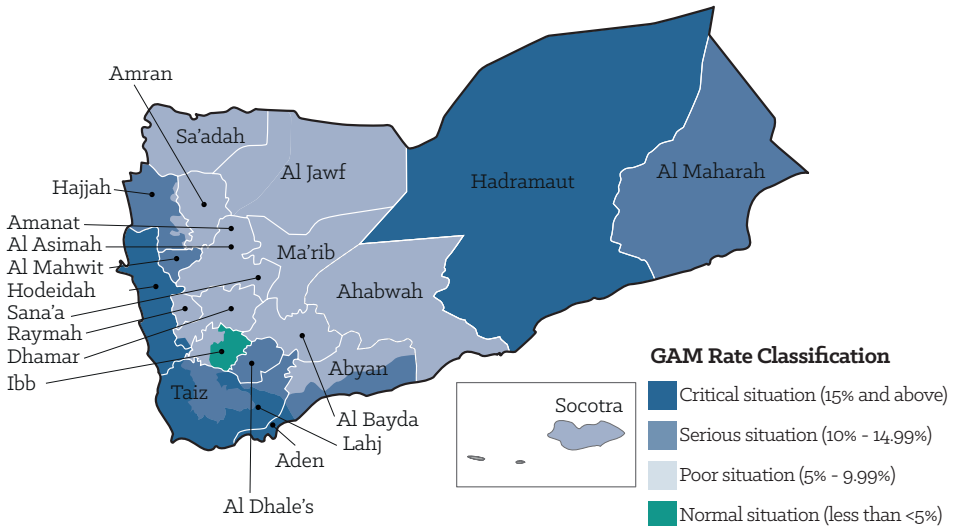
Data: World Health Organization

| The poorest country in the region | | |
GDP per capita (US dollars, PPP, 2017)		
Qatar **124,927**	Kuwait **69,669**	UAE **68,245**
Saudi Arabia **55,263**	Bahrain **51,846**	Oman **45,465**
Turkey **26,452**	Iran **20,030**	Lebanon **19,486**
Iraq **17,004**	Algeria **15,150**	Egypt **12,994**
Jordan **12,487**	Tunisia **11,987**	Libya **9,792**
Morocco **8,612**	Syria **2,800**	Yemen **2,300**

Data: International Monetary Fund

at least 10,000

Yemenis have been killed since 2015

pressing an unsuccessful revolt from their adversary turned ally of convenience turned adversary again, former president Saleh, in December 2017. In many regards, both sides still feel they have some form of upper hand. Backers of the government feel that, in light of trends in the conflict, their support in the form of UN Security Council Resolution 2216 and their continued regional backing, timing is on their side, while the Houthis still appear to believe that they can continue to hold onto enough land for enough time to improve their negotiating position.

In the meantime, Yemen has edged closer and closer to the precipice. It is a multi-faceted cataclysm. The fighting has devastated Yemen's infrastructure, razing to the ground whole neighbourhoods of key urban centres like Sana'a, Aden, Hodeidah and Taiz and blocking the key arteries that once connected the country. Civilians have been caught in the crossfire, killed by airstrikes, shelling and street battles. In some sense, however, it is the wider results of the conflict that have

had the most devastating effect. The weakening of state institutions has disrupted the flow of basic services, pushing the country's medical and educational sectors to the limit. Growing difficulties in transporting food and other goods have led prices to skyrocket, worsening a humanitarian crisis that has been further exacerbated by the deepening depreciation of the Yemeni rial, which is now worth roughly one third of what it was worth before the start of the conflict. All the while, the widening political polarization of the country has ripped longstanding societal fault-lines asunder, rupturing Yemen's social fabric. And with a weak central government and many key officials still mostly in exile, the situation on the ground has devolved into a series of interconnected power centres. While this provides an opportunity to relitigate long marginalized parts of the country's relationships with the central government, it has also added a new layer of uncertainty while increasing the risk of greater tensions and conflict.

Indeed, even if the war were to somehow come to an end tomorrow, its effects would last for decades. One can already speak of a lost generation which is currently growing up in and out of schools, coming of age in the shadow of conflict in an environment where the bulk of the few available jobs come behind the barrel of a gun.

For outside actors, options are limited. Nevertheless, it would be foolish to ignore the ongoing crisis. Yemen may play a comparatively marginal role in the European consciousness, but its strategic importance on the Bab al-Mandeb – which is effectively the southern gate to the Suez Canal — and the presence of Al Qaeda in the Arabian Peninsula (AQAP) mean that instability in Yemen has the potential to echo far from Yemen's borders. Simultaneously, the Houthis' increasingly brazen attacks on Saudi Arabia – which, according to UN reports, were carried out with Iranian aid – threaten to exacerbate the regionalization of the conflict, potentially portending further spillover. While Yemen's conflict is cast as a stalemate, it is ultimately something much worse — as time passes, the internal situation grows direr, while the risks of a wider conflagration deepen.

Which options for peace?

On the one hand, the sheer sense of urgency is overwhelming. Yemen currently faces the world's worst humanitarian crisis; the majority of the country is food insecure, while diseases like cholera, diphtheria and dengue fever have re-emerged due to the collapse of basic infrastructure. However, while aid is important, it is barely enough to put a dent in the crisis. Yemen's humanitarian crisis is related to structural issues: diplomatic efforts must prioritize the easing of blockages on key trade routes with particular focus on giving Yemen's private sector greater room and space to operate. This must come in consort with sustained pressure on key parties to undertake greater efforts to re-

duce harm to civilians. These include lifting the siege on the city of Taiz, the opening of Sana'a airport and working to prevent the port or city of Hodeidah from becoming caught up in ongoing coalition military operations on the Red Sea Coast.

On the other hand, of course, there is the diplomatic track. Appointed to replace Mauritanian diplomat Ismail Ould Sheikh Ahmed, who presided over three rounds of unsuccessful talks, in February of this year, UN Special Envoy to Yemen Martin Griffith is ostensibly the man tasked with heading efforts to foster a political solution to the talks. But international unity – or disunity – will make or break his work; while the Group of 18 (G18) – the 18 nations sponsoring peace talks – may officially be working together, their differing agendas and Yemen policies often mean they are actually working against each other. Improving coordination is crucial – even though, due to the structure of the conflict, it is certainly a difficult task. Not to mention Griffith's primary duty, brokering a deal between the Houthis and the internationally recognized government, both of whom effectively reject the other's legitimacy, largely casting their adversaries as mere tools in nefarious foreign plots.

Finally, however, there is the largest challenge at hand. It is not just that Yemen is poorer and more divided than at any other time in recent history: in many regards, Yemen is radically different from the country that existed prior to the conflict. Owing to the divisions splitting various state organs, the way Yemeni government institutions work has been radically reshaped. Key players have exited the scene—sometimes violently — while new ones have risen to take over their place. Peace efforts structured around returning to the status quo ante are doomed to fail. Thus, those working on the political front must be as inclusive as possible, taking account of the changes engendered by the dramatic shifts on the ground.

#med2018
it is not just that Yemen is poorer and more divided than at any other time in recent history: Yemen is radically different from the country that existed prior to the conflict

1.5 Time for EU engagement in Gaza

Hugh Lovatt
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SHARED SECURITY

Gaza is at a crossroads. Intensive efforts by Egypt and the UN to mediate a ceasefire agreement between Israel and Hamas, the Strip's de-facto rulers, have staved off an immediate return to war and bought some badly needed time to reach a long-term solution. Yet the situation remains extremely fragile with both sides under pressure to deliver wins. For Hamas, this means a significant easing of Israeli restrictions on the Strip and economic relief. For Israel, this means a return to calm (including an end to rocket fire and weekly demonstrations along its border), as well as retrieving the remains of fallen IDF soldiers and two detained Israeli civilians.

For hope of sustainable progress, Europeans need to increase their own focus on the core political dynamics driving ongoing tensions. European technical and financial assistance remains important. However, without a stepped-up political role that focuses on ending the punitive sanctions put in place against Gaza by Israel and President Abbas's Palestinian Authority (PA), and a more pragmatic policy towards Hamas, Europe will do little to help pull Gaza out of its nosedive.

Avoiding Gaza's implosion

That Hamas and Israel have for now resisted the slide towards renewed conflict, despite serious flare-ups over the summer, shows that both sides still prefer a diplomatic track. However, in the absence of significant progress over the coming months, each may eventually come to view a return to war as the only means of breaking the diplomatic impasse. But as the last three bloody wars fought in Gaza have shown, another round will deepen the violence and destruction, and the sense of growing hopelessness, that

has afflicted its inhabitants for more than a decade. This in return will have an increased radicalising effect.

For over a decade now, the Strip has suffered from worsening socio-economic conditions, leading to economic de-development and a mounting humanitarian crisis.[1] Although primarily the result of Israeli restrictions and closure[2] and consecutive wars, the crisis in Gaza has been worsened by a series of punitive sanctions[3] imposed by President Mahmoud Abbas and his Palestinian Authority (PA) since April 2017. Although Israeli and PA sanctions are ostensibly intended to isolate and undermine Hamas, these have in practice constituted a form of collective punishment against Gazans. The elimination of US funding[4] to both UNRWA and humanitarian projects has further increased the pressure on Gazan society – 80% of which is dependent on foreign aid.[5]

The economic impact of combined sanctions has been dire. According to the Palestinian Businessmen Association,[6] 95% of factories in Gaza have stopped operating, and 75,000 jobs have been lost. Other human security indicators paint an equally bleak picture. Gaza suffers from a high unemployment rate of 44% (60% among 15-29 year olds), and constant electricity cuts (around 20 hours per day). Meanwhile, 97% of the Strip's water is undrinkable.[7]

These conditions highlight some of the underlying factors behind the popular anger that has driven the weekly "right of return" protests[8] and mass confrontations along the border with Israel. This should act as a warning of more dire things to come – both in terms of the untenability of the status quo, and the significant risks that Gaza could be-
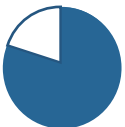
95%
of factories in Gaza have stopped operating since 2006

THE GAZA STRIP:
A HUMANITARIAN CRISIS (2017)

2,000,000
population of the
Strip

71%
percentage of the
population under
the age of 30

49%
unemployment
rate

65%
unemployment
among young
people

96%
percentage of
tap water that is
undrinkable

5
number of hours
of electricity
currenty available
per day

Few
are eligible to
apply to exit the
Strip under Israel's
limited criteria

329
number of days
Rafah Crossing on
the Egyptian border
was closed in 2017

Erez Crossing

Mediterranean Sea

Israel

Egypt

51%
drop in exits of
Palestinians via
Erez Crossing in
2017

70%
percentage of
people receiving
humanitarian aid

**Israel controls
Gaza's**
commercial
crossing, restricting
entry of goods
essential for normal
life and economic
growth

5,2013
people per km²
density rate

31%
percentage of
residents of Gaza
with family in East
Jerusalem, Israel or
the West Bank

Data: Gisha

168

people were killed in the Gaza border protests in 2018

Palestinian territories humanitarian funds by donor (as of 31 August 2018)	
Australia	**$7.5 million**
Switzerland	**$3**
Belgium	**$3**
Sweden	**$2.5**
Norway	**$1.9**
Germany	**$1.2**
Spain	**$0.7**
Iceland	**$0.2**

Data: OCHA

First 10 UNRWA donors (2017)	
USA	**$364 million**
EU	**$143**
Germany	**$76**
Sweden	**$61**
UK	**$60**
S. Arabia	**$51**
Japan	**$43**
Switzerland	**$27**
Norway	**$26**
Netherlands	**$21**

Data: UNRWA

75,000

people have lost their job since 2006

come a fertile breeding ground for Salafi-jihadi groups.[9]

THE LIMITS OF DIPLOMATIC EFFORTS

A common desire by international actors, Hamas, and Israel to avoid an implosion in Gaza has led to renewed diplomatic efforts. The most serious, and most promising, initiative has come from joint Egyptian and UN attempts. These seek to advance twin mediation tracks: one between Israel and Hamas to anchor a long-term truce ("calm for calm" as Israeli officials describe it) that revives the 2014 ceasefire deal[10] and paves the way for Gaza's re-development, and a second between Hamas and Fatah to advance Palestinian re-unification and the return of PA governance to the Strip.

Meanwhile, both the US[11] and Israel[12] have floated ambitious plans that focus almost entirely on economic development. But absent a realistic political track to accompany such steps, neither have been able to convince other states to table the large sums of funding required to get their projects off the ground. The US plan also suffers from significant contradictions: for example, undercutting the PA while setting its return to

the Strip as a precondition for progress, and wanting to stabilise Gaza while defunding Palestinians.

The reality is that these combined efforts cannot succeed without stepped-up international political support. This now requires donors such as the EU to throw their own weight into the mix and advance a realistic political strategy that can lock in a cease-fire and reconstruction process, while supporting the Palestinian reunification and sovereignty building effort.

A WIDER ROLE FOR EUROPE ...

The EU must move beyond its narrow focus on technical issues, such as support for desalination plants, that have not helped pull Gaza out of its current tailspin, despite contributing towards important humanitarian projects.[13] What is missing is not so much a lack of EU financial investment, but rather the ability to translate this into political engagement or leverage. The provision of humanitarian relief and economic development should instead be viewed only as the first element in stabilising Gaza, and as a stepping stone for addressing more intractable political issues.

For the moment, the EU is deeply reluctant to address the tough political issues that lie at the heart of Gaza's problems. These include not only Israeli closures and restrictions, and intra-Palestinian divisions, but also Abbas's own policies towards Gaza, which the EU has been reluctant to criticise publicly. Absent a recognition of these realities, any initiative to help Gaza will eventually fail.

Without losing sight of the fact that it is Israel's policies that remain the primary cause of Gaza's problems, EU leaders must nevertheless speak out against Abbas's own actions. These are pushing Gaza further away from the West Bank, deepening Palestinian political divisions, and increasing popular anger against the PA, including in the West Bank. They will also not succeed where a decade of international sanctions have failed, and will not bring Hamas to its knees.

More fundamentally, the EU will have to acknowledge the elephant in the room: Hamas. There should not be any illusions about the Islamist group's nature, but at the same time, Europeans must acknowledge another reality: the movement is an undeniable facet of Palestinian politics and society, and the EU-backed policy of boycotting and sanctioning Hamas has failed spectacularly.[14]

Rather than contributing to change, EU positions on Hamas have stymied international action to anchor sustainable calm in Gaza and heal intra-Palestinian rifts. A more constructive, and more realistic, course of action would be for the EU to engage with pragmatic elements within Hamas and offer to treat Hamas as a legitimate political actor in return for further moderation on its part. It should also support the formation of a national unity government between Hamas and Fatah, without pre-conditions.

… A POLITICAL ONE?

To be clear, Gaza's future depends on Palestinian reunification, the return of PA governance, and the revival of Palestinian institutions. But this should not be a precondition for short-term stabilisation efforts to avert an immediate return to conflict. Nor should initial steps to help Gaza be conditioned on Hamas's explicitly accepting the Quartet conditions (recognising Israel, abiding by previous agreements, and formally renouncing violence), or immediately disarming – not least given that they remain best placed to maintain security and police a ceasefire with Israel. It is worth noting that the group remains the most effective bulwark against radicalisation. But its ability and willingness to hold more radical groups in check and police a ceasefire with Israel is directly linked to its success or failure in delivering (at least partial) improvements for average Gazans.

There has been a question mark over the ability of the EU to contribute real change in the Israeli-Palestinian conflict. Gaza could provide a positive answer. Ongoing Egyptian and UN mediation efforts offer a limited opening to address the political causes driving the current crisis, and provide a sustainable and dignified future for Gaza, and the EU is an important position to help make this happen. Yet, it will have to invest itself politically, and not just financially. Just as importantly, it will need to be clear-eyed about the challenges ahead, and promote moderating policies that can move Israel, the PA, and Hamas, away for their current zero-sum game towards Gaza.

1.6

Al-Qaeda and IS: conflicts of influence in the south of the Mediterranean

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SHARED SECURITY

60

MINUSMA troops killed by al-Qaeda-linked groups in Mali between 2017 and 2018

>90%

the losses in revenue for IS since 2015

Understanding the reasons of conflict between two terrorist organisations goes a long way to assisting in developing counter-terrorism policies in the Mediterranean region in general, and in zones of conflict in the southern region specifically. The al-Qaeda-Islamic State (IS) conflict and patterns of interaction can be analysed on three different levels: trajectory, strategy, and geopolitics. Changes within the variables that make up each one of these dimensions directly affect the state of competition over influence in the south of the Mediterranean. The idea of the trajectory is tied to the connection between the political and the military contexts within which the two entities have been interacting, and how that connection reflected on their respective decisions and choices. The variable of strategy refers to the tactics employed on the ground and in operations carried out by both groups, including areas of geographical presence and patterns of terrorism. Finally, the geopolitical aspect concerns the manner through which international powers interact both with organisations militarily dependent on the overall interests of these powers in the countries, and regions in which both groups operate. Combining these three factors or variables together in the process of analysis will shed light on the current state of the conflict in the region.

Comparing al-Qaeda and IS

In order to engage in a meaningful comparative analysis, it is essential to start with the differences that set the two groups apart.

These differences and the way they materialized are the core reasons that have led to the conflict that continues to this day. Competition for influence in the region has been present since the breakout of several Arab revolutions and the establishment of IS within the post-revolutionary context of the Arab Spring. However, inherent differences between al-Qaeda and IS have been fundamental factors in the framework of that competition. It is fair to say that Syria has been the main stage of these conflicts, specifically Jabhat Al-Nusra, followed by Egypt – and the divisions among the terrorist groups in the Sinai over allegiance to either IS or al-Qaeda –, and currently Libya, where the reframing of the alliances between major terrorist groups is still underway.

Ideologically, the differences do exist, but they are not reflected significantly on the operational level. Both organisations subscribe to radical Jihadist ideologies that diverge only partially on certain issues. These differences may sometimes reflect operationally, but not ideologically. For example, the killing of Muslim civilians was a point of contention and conflict between the two organisation: al-Qaeda decided that Muslim civilians should not be targeted or harmed in the organisation's operations, while IS rejected this stance and organized an attack in the Sinai against Muslims gathered in prayer in a mosque. In fact, comparing the extent of radicalisation does not result in a difference in ideology as much as in diverging operational techniques.

The organisational difference is perhaps more evident. IS has a central authority and a

THE COMPETITION WITHIN JIHADISM
IS and al-Qaeda operating areas

Primary operating areas

- IS
- Al-Qaeda
- Others
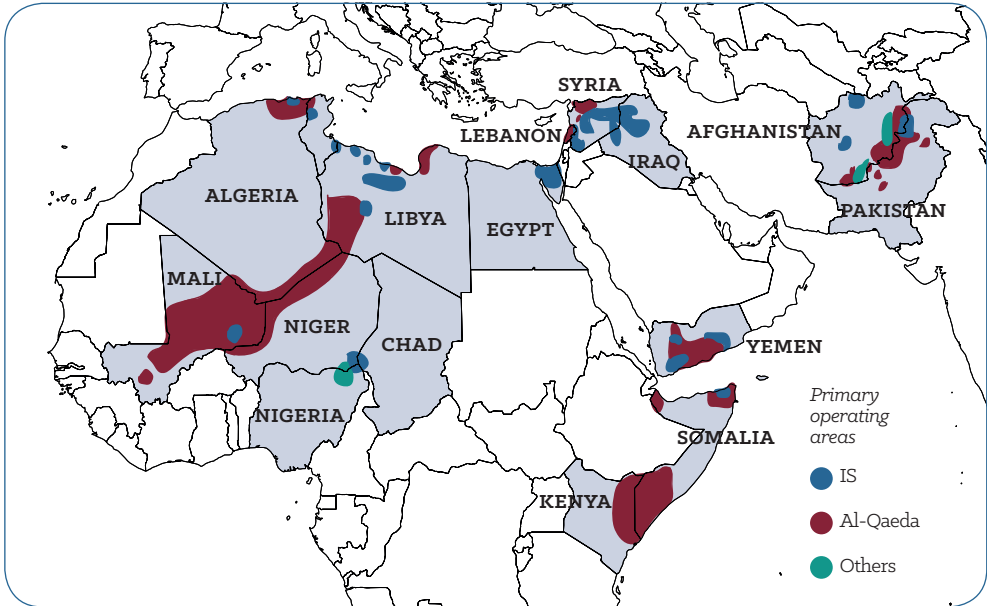
THE DIFFERENCES BETWEEN
THE ISLAMIC STATE AND AL-QAEDA

	Al-Qaeda	IS
Strategic targets	Most of all Western world	Iraqi and Syrian regimes (since 2015, attacks in Europe as a "diversion")
Takfir interpretation	To avoid sectarian and intra-Muslim clashes	No distinctions between "infidels" and Muslims
Territory	Strategic strongholds, but no territory administration	Conquest and administration of territory as a "quasi-state"
Modus operandi	Spectacular and targeted attacks	Guerrilla-style actions and attacks against enemies' armies

Fault-lines between IS and al-Qaeda

Sahel and Western Africa   **Syria**   **Yemen**   **Afghanistan**

Data: US Office of the Director of National Intelligence

1,000–4,000

IS fighters active in
Afghanistan

Caliphate to which allegiance must be pledged in order for a terrorist group to join the entity. Al-Qaeda, on the other hand, has a much more decentralised structure of leadership that is non-hierarchical and leaves more room for regional affiliates and followers to practice their own interpretation of Jihad. However, the difference in organisation and approach become more clearly understandable considering the context in which IS was started by al-Baghdadi in 2013, for the purpose of finding a new mechanism for Jihad different from that of al-Qaeda and using the change in the political landscape in the region in the post-Arab Spring phase as a springboard. Another point of contention between the two groups that creates conflicts of influence in the region lies in the fact that their target population and potential recruits share the same mental framework. This means that both organisations are competing over potential members who stand on the same platform. Therefore, conflict over recruitment has repeatedly led to clashes between IS and al-Qaeda.

Different schemes, diverse responses

In terms of strategy, the post-Arab Spring years have witnessed two separate strategies, one for each entity. Al-Qaeda went through a phase of capacity re-building, recruiting new members, spending considerable time on training them and witnessing a low frequency of terrorist operations in favour of internal reconstruction. Meanwhile, IS has managed to both exploit the geopolitics of the region and take advantage of the vulnerable state of border security in the post Arab Spring phase at the same time. The pattern of their presence also differed significantly. Al-Qaeda remained true to its covert dimension and formed regional alliances to be later connected together into a network. IS, on the other hand, opted for territorial terrorism, where the groups aimed to achieve geographical control over territories, as was the case in Syria, Iraq, Egypt and Libya.

This pattern of terrorist presence resulted in a difference in strategy between the two groups, which in turn generated different regional and international responses depend-

ing on the geopolitical interests at stake for the countries in which they operate. The frequency and the extent of the impact of IS's terrorist operations, both in the south of the Mediterranean and in Europe using various tactics and techniques, encouraged the formation of an international alliance against the group. The fight against IS in Iraq, Syria, Libya and Sinai has shifted the international focus away from al-Qaeda, thus giving the terrorist organisation more room for networking and recruiting, while it has weakened IS and led to a loss of territorial control in Iraq, Syria and Libya.

The loss of control over the territories that IS had managed to conquer and gain control over in the region has given a serious blow to the organisation's capabilities. Those territorial losses made IS lose the edge it had gained in the region's terrorist activities over the past years, which in turn created a power vacuum. This vacuum was used by al-Qaeda to expand its regional influence through the network it started to develop at the beginning of the Arab Spring. The dismantling of IS in both Iraq and Syria left behind a mass of IS members that will either be looking for new organisations to join, or re-group in new formations. But given the centralized structure of leadership of IS, it is highly unlikely that returning fighters will seek to implement the same strategies of IS in new locations. Hence, IS fighters and ranks, returning from Iraq and Syria, may join al-Qaeda due to current political and security conditions in the region.

The two organisations also compete in terms of their presence and influence in Europe. At the moment, al-Qaeda has a greater presence and influence in the south of the Mediterranean, but in the north IS has made the news using techniques like stabbing and using vehicles as weapons against people – which is further evidence of the fact that the once-centralised IS leadership is now decentralising on both technical and tactical levels – and cells in the north of the Mediterranean continue to operate despite the territorial defeat in Syria and Iraq. The real challenge for both organisations in the coming phase is recruitment in the north of the Mediterranean

Estimated number of al-Qaeda fighters

Syria	10,000 – 20,000		Egypt	1,000
Somalia	7,000 – 9,000		Afghanistan, Pakistan and India	800
Libya	5,000		Bangladesh and Myanmar	300
Yemen	4,000		Russia	100
Other Maghreb and Sahel countries	4,000			

Data: Council on Foreign Relations (CFR)

and in Europe as a whole. Since potential recruits are limited and belong largely the same pool, the conflict between the two organisations in Europe is now hinged on their recruitment policy instead of their actual operational capacities.

Both IS and al-Qaeda are fighting to survive in the region. Meanwhile, various states in the region – like Libya and Egypt – have improved their capacity to counter terrorism. The drop in the number of terrorist attacks in Egypt and the arrest of Hisham Ashmay (the leader of an al-Qaeda affiliated group called Al-Morabetoon) point to progress in counter-terrorism policy and greater regional coordination.

Future patterns and developments

In the current scenario, al-Qaeda's role in the region seems to be undergoing a major revival. Unlike IS, al-Qaeda is a much more structured organisation, which makes it easier to stand political turbulence through coping strategies rather than open combat. At the same time, IS is struggling to establish a new presence in the region after losing its territories, and Libya appears to be the testing ground for that. Moreover, the regional and international focus on the East-West conflict in Libya makes the Libyan South more vulnerable and more attractive to radical and terrorist organisations trying to regroup.

However, the conflict between the two groups will not bring their presence to an end through an internal process only. In fact, the presence of both organisations in the region depends also on domestic counter-terrorism policies in the various countries involved, political participation and religious polarisation. Unless these efforts are successful, the region will be caught in a circle of terrorism and radicalized ideas that will perpetually reformulate and materialize in different forms. The conflict over regional influence between al-Qaeda and IS does not necessarily entail the fragmentation of the structure of terrorist groups, it could also mean a failure of regional regimes to include these conflicts in their counter-terrorism strategies. Finally, countries in the south of the Mediterranean have societies that still breed radicalisation in various forms and on various levels. If this pattern continues, the conflict between al-Qaeda and IS will be the least of our worries.

1.7

Shifting alliances:
a risk of further instability

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SHARED SECURITY

The decades-old stagnation in the Middle East, sustained by US involvement and an artificial stalemate between autocratic regimes, crumbled with the US disengagement from the region, the removal of Arab autocrats, and the Arab Spring that changed domestic and regional political configurations. The race between Iran, Turkey and Saudi Arabia to carve up a wider sphere of influence in the post-American vacuum that was created by the US withdrawal from the region risks descending the area into more instability. This instability can lead to more violence, that could spill beyond the hitherto localised proxy wars. Syria is a perfect example of the increasing tension between Iranian, Saudi and Turkish-led power blocs in the region.

The recent escalation of political tension, on the other hand, is a result of the perceived shift in power balance in favour of Iran in the post-American vacuum. The US disengagement pushed regional powerhouses to form and consolidate regional blocs to pursue their political goals. Hence, Saudi Arabia, Iran and Turkey are in a rush to strengthen their power blocs, through alliances with regional and global powers, state and non-state political actors.

Three rival power blocs

Today, there are broadly three different power blocs in the Middle East, some more firmly structured than others. On one side, there is the bloc formed by Iran, Syria, Hezbollah, Houthis in Yemen, and Hashd al-Shaabi and factions of the Iraqi government; on the opposite side Saudi Arabia has teamed up with the UAE, Egypt and Bahrain. This second bloc has stronger backing from the current US establishment and Israel, which shares the bloc's anti-Iran stance. The third one is the alliance of Turkey, Qatar, Muslim Brotherhood across the Middle East and several Muslim Brotherhood-leaning militant groups in Syria. Other states – including Jordan, Oman, Tunisia, and Morocco – are not clearly aligned and are more reluctant to take sides.

At the political level, these blocs are the product of many overlapping factors such as ideology, sectarianism, nationalism, and opportunism. They are vying for power on two levels: to fill the political vacuum left by the US, and to gain a position of leadership in the Arab World. Remarkably, two of the power blocs are led by non-Arab powers.

Either through direct foreign intervention or popular uprisings, several Arab autocrats have been unseated or crippled. Saddam Hussein, Muammar Qaddafi, and Hosni Mubarak were removed from power, and they were followed by the demise of the Assad regime, as a consequence of which Syria came mainly under the control of Russia and Iran. As these Arab actors left the stage, Iran and Turkey stepped in further to increase their influence and to fill the vacuum.

The Iranian axis

Iran is not part of any regional security arrangement, but it has created a network of

$638 billion

Saudi Arabia's GDP:
the richest Arab
economy

New alignments in the Middle East
"Battle lines" in the current Middle Eastern chessboard

Kurdish control
Kurdish Regional Governament
Turkish influence
Saudi-backed opposition
Hezbollah
Houthi rebels

Iranian-led Front
Non-state actors

Saudi-led anti-Iran Front
Non-state actors

Third block
Non-state actors

Non-aligned states

TURKEY
LEBANON SYRIA
ISRAEL
PALESTINE
JORDAN
IRAQ
IRAN
EGYPT
KUWAIT
BAHRAIN
QATAR
UAE
SAUDI ARABIA
OMAN
YEMEN
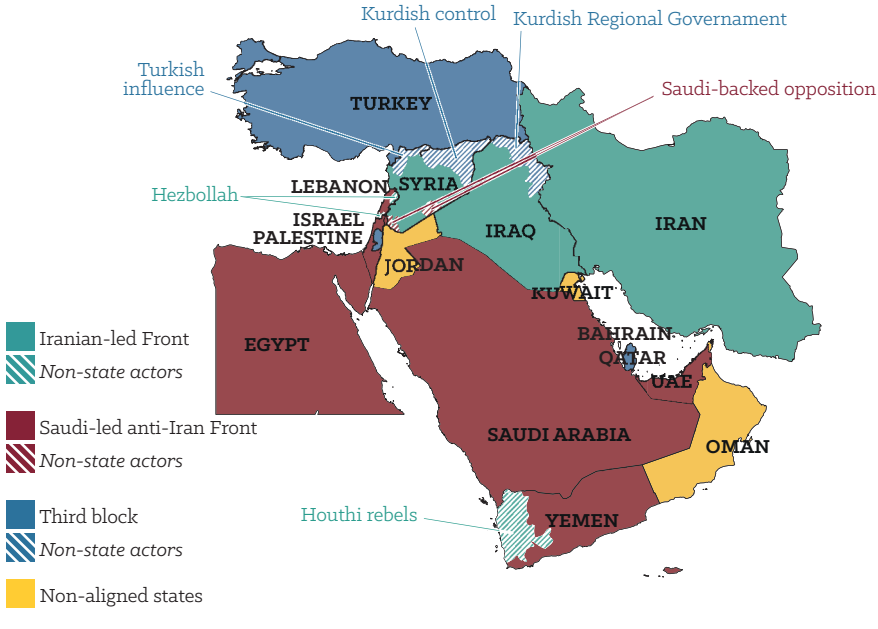
security cooperation mostly with an array of non-state actors across the Middle East. The US policy towards Iran, especially under President George W. Bush's "axis of evil" policy, had been a strong determinant of the Iranian counter-discourse. Iran is trying to provide a cover for its aggressive regional policies by labelling its military-political stance an "axis of resistance". Tehran is also justifying its engagement in proxy wars as part of its national defence. Unleashed by the defeat of both Taliban in Afghanistan and Saddam Hussein in Iraq, Tehran extended its influence into Iraq and Syria, forming and supporting armed non-state actors – mostly Shia – from Pakistan to Lebanon and Yemen. As an anti-status-quo power, Iran took advantage of the regional conflicts and foreign interventions to alter the power structure in the region. The paths of Iran and Saudi Arabia have diverged dramatically since the temporary rapprochement between Riyadh and Tehran in 1999 when Iranian President Mohammad Khatami visited Saudi Arabia. Today, the pro-Iranian axis has positioned itself against the US and describes actions by Israel and Saudi Arabia as an extension of the US attempts to destabilise Iran. To appeal to Arab masses, Tehran has been instrumentalising two different discourses, a portrayal of itself as the saviour of the "oppressed" regions and disseminating anti-Israeli rhetoric.

Through proxies, Iran seeks to benefit from the conflicts and political tension in Syria, Iraq, Yemen, Bahrain and Lebanon. Well versed in setting up and working with proxies, Iran has a history of supporting radical Sunni groups and Salafi groups even when they attacked Shia communities in Iraq and elsewhere. Today Iranian influence across the region is exercised mainly through Shia organisations such Hashd al Shaabi, Hezbollah and Ansarullah. All of these powerful groups operate under varying degrees of Iranian hegemony. Its sectarian foreign policy both enforces and limits Iran's appeal to broader Muslim communities.

Saudi-led anti-Iran bloc

Saudi Arabia's attempts to consolidate a power bloc with UAE, Egypt and Bahrain, coincided with two developments: the

15,000 troops
deployed by Iran in Syria since the beginning of the conflict

$10.8 billion

trade volume between Turkey and Iran in 2017

Crown Prince Mohammed bin Salman's rise to power and the demise of IS in Iraq and Syria. Saudi foreign policy is traditionally geared to maintain the security of its territory and its political system. Iran-led projects and Iranian support for Shia's in Saudi Arabia as well as the challenge by political Islam in the form of Muslim Brotherhood are two perceived threats for Riyadh. Since the vacuum left by IS is being filled mostly by Iran, bin Salman changed the direction of Saudi policy in Syria, cutting his support to violent political Islamist groups and redirecting his funds to support the US-backed groups in Syria. He also attempted to control what he sees as Saudi Arabia's backyard by pressuring Doha to align with Riyadh regarding Iran and the Muslim Brotherhood. Saudi Arabia's attempt to bring Qatar into its camp partly backfired and pushed Qatar into a more formal power bloc with a non-Arab regional power, Turkey. So far, Mohammed bin Salman's determination to change the balance of power in the region has not shown signs of success.

This bloc enjoys varying degrees of backing from Israel and the US. The bloc's anti-Iran stance fits well with the current US administration's anti-Iran policy, whereas its anti-Muslim Brotherhood, anti-political Islam and anti-Iran stance has put Israel broadly on the same side with Saudi Arabia.

Turkey and Qatar

For the first time in decades, Turkey evolved from being a reluctant regional actor to a pro-active one. Turkish foreign policy went from a multidirectional regional foreign policy to an Islamist, sectarian one before finally settling into a firmly Turkish nationalist one. Turkey today has substantial military bases in Syria, Iraq and Qatar. Following the changes in the battlefield in Syria and the rise of the pro-Kurdistan Workers' Party (PKK) Kurds, Turkey's nationalist government can no longer be optimistic in the short term about projecting its power in the region. Similarly, following Saudi attempts at isolation, Qatar scaled down its efforts from regional power projection to maintaining its independence.

The Turkey-Qatar alliance is the preferred Sunni rival bloc for Iran. A series of political and economic requirements prevent Turkey from taking a harder line against its age-old rival Iran. Turkey is worried that Iran might change its position vis-à-vis Kurds in Syria and Turkey. And then there is also the economic relationship between Turkey and Iran especially in the energy sector, which is controlled by people close to President Recep Tayyip Erdogan. Turkey also maintains its distance with the Saudi-led bloc, due to its anti-Muslim Brotherhood stance.

What can ultimately change the power balance in the Middle East is the direction Turkey might take. There is a minimal prospect of Ankara joining in the anti-Iran bloc led by Saudi Arabia. Turkey and Iran have a stable relationship that dates back to the 17th century when the current borders between the Ottoman Empire and Iran were drawn. The relationship between Ankara and Tehran even survived the crisis in Syria, where both countries were engaged in an intense proxy war against each other.

Syria as a test case

A possible example of what the Middle East might look like if these power blocs continue in their trajectory of escalating tension is Syria. The Syrian conflict very quickly militarised first due to the Assad regime's violent attacks on mostly peaceful mass protests, and second because of military support from Turkey, Qatar, and Saudi Arabia towards armed groups in the country. While Ankara, Doha, and Riyadh became involved in the Syrian conflict mostly through proxies, Tehran was very quick in entering the country with Iranian military officers alongside Damascus.

Iran has been more successful in the proxy war in Syria partly because its rivals – Turkey, Qatar and Saudi Arabia – were pursuing strategies invalidating each other. In the early phases Turkey saw a potential to replace the Assad regime with a pro-Turkish one. In the current phase, however, Ankara has come to focus primarily on limiting the Kurdish advances. Riyadh, on the other hand, saw it

as an external war theatre that could get Iran bogged down. Differing policies of Turkey, Qatar and Saudi Arabia and later of the US led to further divisions among the anti-Assad bloc inside Syria. Coinciding with the defeat of IS and the rise of Crown Prince Mohammed bin Salman, Saudi Arabia changed its policy in Syria, cutting its support to radical groups employing Islamist political rhetoric. The Saudi government currently supports groups that have US backing, including the People's Protection Units (YPG), a predominantly Kurdish group in north-eastern Syria.

What prospects for the Middle East?

The shifting alliances in the Middle East have been setting traditional Western allies against each other and giving rise to state-backed and independent non-state actors in the region. The driving factors behind these shifts have their roots in the power vacuum created by the US withdrawal from Iraq and Washington's gradual disengagement from the Middle East.

The previous status quo artificially maintained by the security provided by the US benefited Saudi Arabia and limited Iranian influence. The current trend of escalation in the region helps Iran and pits Turkey against Saudi Arabia. The region risks descending into more instability and an escalation of violence unless external factors, such as interference by global actors, shift the power balance.

However, Washington's renewed commitment to the US-backed groups in Syria as well as withdrawing from the nuclear deal with Iran may signal that, despite previous divisions on policy, the US might still make a comeback in the Middle East, if one that is likely to focus primarily on limiting the rise of Iranian influence.

#med2018
the region risks descending into more instability and an escalation of violence unless external factors, such as interference by global actors, shift the power balance

1.8

The Trump administration and the MENA region. What Strategy? What Next?

Ian O. Lesser
Vice President, The German Marshall Fund of the United States (GMFUS)

On the campaign trail, candidate Trump showed every sign of wanting to pursue a minimalist foreign and security policy. Almost two years on, this preference persists, but the Middle East has a way of intruding into the planning of any American administration. No headway has been made on the Israeli-Palestinian peace process. Despite the general American distaste for regional intervention after almost two decades of extraordinary activism, the prospects for a military confrontation with Iran have increased markedly. The Trump administration has deepened traditional security ties with the Arab Gulf states, especially Saudi Arabia, while relations with Turkey have reached a crisis point. Attention to human rights and the democracy promotion agenda has waned. Fundamental American interests in the Middle East and North Africa may not have changed greatly in recent years. But the Trump administration's heavy focus on a nationalist "America first" approach is shaping strategy in important ways. It may also lead to a de-coupling of transatlantic interests and strategies across the region, just as the Mediterranean dimension of European security looms larger on NATO and EU agendas, and as Russia develops a more active role.

Continuity, change and uncertainty

Some facets of President Trump's posture towards the region predate his administration. President Obama, many in Congress, and many in the American foreign policy establishment had already grown wary of the activist, interventionist approach that characterized US policy in recent decades. The legacy of Afghan-istan and Iraq was evident in the restrained approach to Libya and the reluctance to intervene in Syria. President Trump's decision to launch airstrikes against Syrian targets after the regime's use of chemical weapons in April 2017 was probably what Hillary Clinton would have done under the circumstances. Nevertheless, Trump clearly carries these prevailing tendencies further, with an admixture of unpredictability and a brash, personalized approach to policy. The style of the administration, already a departure from the norm, plays out under conditions of growing instability and chaos across the Middle East and North Africa, and in international affairs more broadly. Washington's partners in the region and in Europe will need to reckon with the possible consequences of this risky convergence. For an administration that professed to seek a lower international profile overall, more finely measured against American national interests on trade and other fronts, there has been a surprising amount of attention to the Middle East. President Trump's early and high-profile engagement with Saudi Arabia and the other Gulf monarchies has had defence sales at the top of the agenda. This interest continues with the proposal for a new formal alliance of Arab states – which some have termed, very inaccurately, "Arab NATO" – aimed at countering Iran's bid for regional hegemony. The administration hopes to codify this arrangement at a high level meeting in Washington in the fall of 2018.

The goal of a comprehensive Arab-Israeli settlement remains the ultimate, elusive diplomatic prize for any American administration. Recent administrations have tended to save

at least 11

missile attacks have been conducted by the US against Syrian targets since 2017

US ENGAGEMENT IN MIDDLE EASTERN SECURITY
US arms sales to Middle Eastern countries (2016-2017)

in millions of $:

Saudi Arabia		5,221
Iraq		1,405
UAE		1,278
Qatar		1,091
Israel		1,044
Morocco		596
Egypt		445
Turkey		295
Kuwait		220
Oman		214
Jordan		209
Tunisia		106
Lebanon		82
Algeria		19
Bahrain		4

0-500   500-1,000   1,000-1,500   >5,000

Data: SIPRI
Arms Transfers Database

THE SECURITY APPROACH IN YEMEN AND LIBYA
Waging drone warfare in undeclared war theatres

Number of drone strikes conducted
by the US against terrorist targets in Yemen

2011	2012	2013	2014	2015	2016	2017	2018
13	41	22	17	21	37	127	34
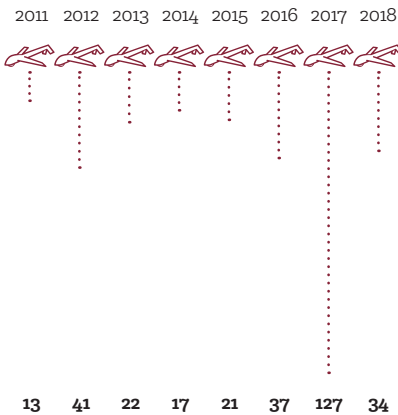
Airstrikes against terrorist targets in Libya,
by belligerant (2015-2018)

USA	Egypt	UAE	France	Israel
539	41	20	5	2
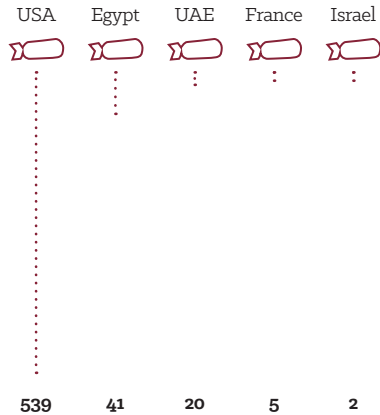
Data: The Bureau of Investigative Journalism;
New America

$35.2 billion

trade value between
USA and Saudi
Arabia in 2017

their activism on the peace process for the end of their time in office, perhaps with an eye on their legacy and the political costs of failure. The Trump administration was not shy about engaging on this front from the start, but with little effect. Previous American peace process efforts have been led by seasoned diplomats with broad regional credibility. President Trump cast his son-in-law, Jared Kushner, in this challenging role. The administration has also departed from established policy by abandoning any explicit attachment to a two-state solution to the Palestinian-Israeli dispute, and by its decision to move the US embassy to Jerusalem. This decision may reflect practical reality, but it was sure to inflame Palestinian opinion and erode the perceived legitimacy of Washington as a valid interlocutor in the peace process. Indeed, in terms of affinity and strategic inclination, the Trump administration probably has the closest relationship with Israel of any recent presidency. This is a clear contrast with the Obama administration, whose relations with the Netanyahu government were notably cool. The close alignment with Israel has had little apparent effect on American ties with the rest of the Arab world (Turkey has been a different story). In this case, changing regional dynamics have supported Washington's inclinations.

The prominence of Israel and the Gulf in the Trump administration's calculus is not necessarily matched by attention to challenges elsewhere in the region. Trump and his foreign and security policy circle have been just as reluctant as their predecessors to intervene in the Levant beyond airstrikes and the presence of special forces. North Africa does not figure prominently in mainstream American strategy towards the Middle East, with the notable exception of the military's growing attention to terrorist networks in the Sahel and their links to the Maghreb. With Egypt, Trump appears to have formed a close relationship with the Sisi regime based on its hawkish approach to Islamist movements, setting political and human rights concerns aside. But American policymakers and Congress have also been concerned about Egypt's ties with Moscow and alleged role in regional arms trafficking. Here, as in other areas, the overall direction of American policy is unclear.

Confronting Iran

Without question, the most disruptive facet of Trump's policy in the Middle East has been his repudiation of the JCPOA (Joint Comprehensive Plan of Action) with Iran. The agreement is a multilateral undertaking. It could in theory survive the American withdrawal if Iran and other parties remain. Withdrawal from the nuclear deal with Iran was one of the few straightforward foreign policy items on Trump's campaign agenda (the others, on trade, climate and borders are more closely linked to the President's domestic priorities). To be sure, many in Congress share the President's opposition to the JCPOA, even if much of the American strategic class sees merit in containing Iran's nuclear ambitions, whatever the agreement's shortcomings. Iran's assertive posture across the Middle East, and especially in the Levant – Tehran and Israel are already engaged in a low intensity conflict in Syria and Lebanon – seems set to bring the regime into confrontation with a Trump administration focused on the Iranian challenge. If the nuclear agreement collapses entirely, this confrontation will once again have a nuclear dimension. Beyond the new wave of economic sanctions, the potential for a pre-emptive military strike against Iranian missile and nuclear facilities is very real.

Trouble with Turkey

A second highly disruptive development has been the continuing deterioration of an already troubled relationship with Turkey. Bilateral difficulties with Ankara certainly precede the advent of the Trump administration, and this has always been a difficult relationship to manage. Unlike Europe's relations with Turkey, which are structural and multifaceted, the US-Turkish relationship continues to be overwhelmingly focused on regional security cooperation. There is little in the way of commercial or people-to-people stakes to keep the relationship stable when security policy differences intrude, as they often do. Both the Obama and Trump administrations entered office seeking to repair strained relations with Ankara that both saw as an inheritance from their predecessor. Neither has been successful in the face of a steady accumulation of grievances. The Trump adminis-

tration remains committed to the longstanding and effective cooperation with the Kurdish YPG militia in Syria, a key partner in the fight against ISIS. Ankara views the YPG as simply an off-shoot of the PKK, which Turkey has been battling inside and outside the country for decades. Washington and Ankara are also on different pages when it comes to policy towards Moscow and Tehran. Turkey's planned purchase of the Russian S-400 air defence system has angered the US and other NATO allies. This is particularly irritant to the US Congress, and the latest American defence authorization bill bars the transfer of the F-35 Joint Strike Fighter to Turkey unless the S-400 deal is suspended. The US is unlikely to agree to extradite Fethullah Gulen, the exiled Turkish cleric Ankara believes to be the mastermind behind the failed coup attempt in July 2016. And Turkey continues to detain the American pastor Andrew Brunson and several local employees of the US State Department on doubtful terrorism charges. Beyond all of this, frictions with Turkey have acquired an increasingly personal and highly charged character, fuelled by the assertive style of leaders on both sides. Diplomats may yet find a way out of the impasse over the Brunson and Gulen affairs. But the underlying sources of trouble in US-Turkish relations will remain, and can only be exacerbated by the prevailing climate of nationalism affecting the region and transatlantic relations. For many in Washington, Turkey is now seen as part ally, part rogue state. Beyond attachment to the traditional rhetoric about a strategic relationship, the outlook for bilateral cooperation with Ankara in the regional setting is cloudy at best.

A DIVISIVE FACTOR IN TRANSATLANTIC RELATIONS

Finally, the Trump administration's evolving strategy towards the Middle East has opened new fronts in an already tension-prone transatlantic relationship driven by differences over trade, climate, defence burden-sharing and "style". Other foreign policy issues have arguably been less divisive. When it comes to Russia and China, transatlantic policies have been compatible if not exactly aligned. In the Middle East and North Africa differences of perspective

US foreign military assistance (2017)

Israel	$3,100 million
Egypt	$1,300
Jordan	$450
Iraq	$250
Lebanon	$105
Tunisia	$65
Morocco	$10
Bahrain	$5
Oman	$2

Data: US Department of State

are more pronounced. The US and the EU now have very different instincts and policies towards Iran, the Middle East peace process, and the priority accorded to democratization and human rights. European leaders and strategists were already concerned about the durability of American engagement in the Middle East and around the Mediterranean. In terms of military presence, there is little evidence of American disengagement. But the Trump administration's tendency to cast America's role more narrowly in terms of national interest increases the likelihood of a US strategy towards the region set without reference to allied stakes. North Africa and the Levant will likely be seen, first and foremost, as places for European leadership. Under these conditions, the impetus for Europe to manage its own neighbourhood will come from both sides of the Atlantic. Just as NATO and the EU begin to focus more seriously on strategy towards the Mediterranean, and despite a shared interest in counter-terrorism, the security of Europe is probably a waning factor in the American approach to the region. Looking even further ahead, the expanding role of Russia and China in the Middle East will also shape the level and nature of American engagement. In the near term, this might spur US attention to the region. Over the longer term, a serious crisis with either power could drive a rapid shift in American strategic attention away from the Middle East and towards more pressing challenges elsewhere. These dynamics and the potential for change have been evident for some time and will surely persist beyond President Trump's time in office.

1.9

Russia:
the power broker?

Andrey Kortunov
Director General of the Russian International Affairs Council (RIAC)

Historically, the Middle East has never been one of Russia's strategic priorities compared to Europe, the North-East Pacific or even Central Asia. Unlike many other major European powers, Russia had no colonial ambitions in the region; it never considered the Middle East as its "sphere of influence" or as a critically important geostrategic or economic transit corridor. Until very recently, Russia had no experience of a direct use of military power in the region, not to mention a claim to become the key external power broker in the Middle East.

After the collapse of the Soviet Union, many in Moscow and in the West argued that the residual Russian influence in the Arab world, inherited from the heydays of the global Soviet imperial outreach, was doomed to decline continuously turning the Kremlin into an explicitly marginal player in the region's political landscape. Indeed, Russia's interests and attention were limited mostly to three non-Arab states on the periphery of the Arab world. The first was Turkey – a highly controversial, but a very important partner in the Black Sea area and in the Northern and Southern Caucasus, in trade and investment, in energy and in tourism. The second was Iran – another difficult ally, which played an active role in many international matters very important to Moscow – from civil wars in Tajikistan and Afghanistan to the problem of the Caspian Sea partition. The third was Israel, with its large Russian and Russian-speaking diaspora and a thick fabric of political, economic, social,

cultural, and human relations between the two countries.

As for the Arab core of the Middle East, the peak of Russian activism in the beginning of the 21st century was a successful effort to build a Russian-German-French alliance opposing the US-led international coalition set to invade Iraq in the spring of 2003. However, even concerted efforts by Moscow, Berlin and Paris failed to prevent the Iraqi War, and the trilateral collaboration never grew into a multilateral strategic partnership on a broader range of Middle East problems. The United States, regardless of all the mistakes and blunders of its Middle East policies, remained the unquestionable external hegemon of the Arab world. Russia could hope only for very modest progress in its relations with individual Arab nations like Egypt, Algeria, Saudi Arabia, and Syria.

RUSSIA'S NEW NARRATIVE

The relative stability of the region started to crumble in the wake of the Arab Spring. The changing situation presented Moscow both with new challenges and new opportunities. On the one hand, the Kremlin had reasons for concern regarding the possibility of an Arab Spring spillover, particularly in post-Soviet Central Asia, but also in the Northern Caucasus and other Muslim-populated regions of the Russian Federation. Politicians and policy pundits in Moscow looked at the Arab Spring through the lens of earlier "coloured revolutions" in Ukraine, Georgia and Kyrgyzstan, which were regard-

63,000
Russian personnel have been deployed in Syria since 2015

86,000
militants have been killed by Russian airstrikes in Syria

MOSCOW LOOKS AT POSSIBLE US RIVALS
Russian arms sales to the MENA region (2016-2017)

Algeria	2,348
Egypt	1,288
Iran	402
Iraq	300
Syria	22
Qatar	4

in millions of $

- 0-100
- 100-500
- 500-1,500
- >1,500
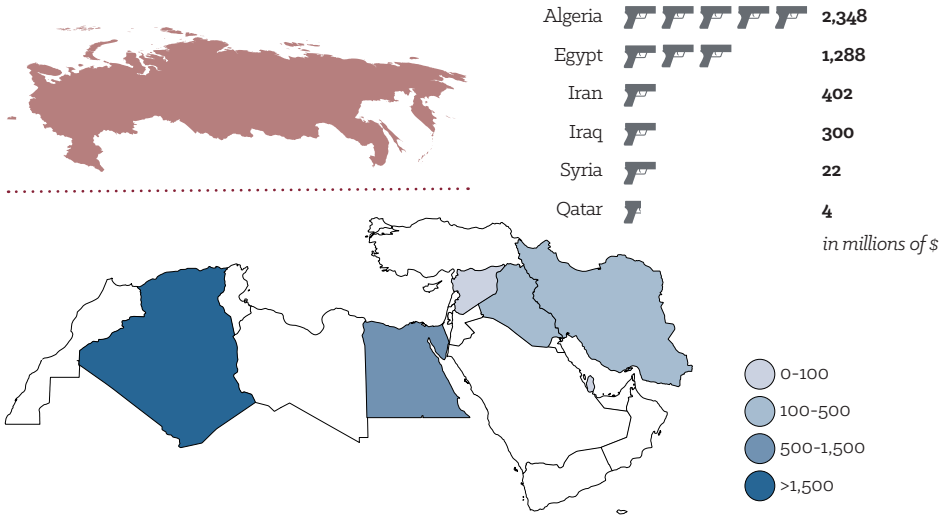
Data: SIPRI
Arms Transfers Database

RUSSIAN EFFORTS TO SUPPORT THE SYRIAN REGIME

S-400:250km   S-400:400km
Aleppo
S-300:150km
S-300:150km   TURKEY   Qamishli
Latakia   Al-Hasakah
Idlib   Ar-Raqqah
SYRIA
Hamah   Deir a-Zour   IRAQ
Homs
Palmyra
LEBANON
Tartus
Damascus
Al-Qunaytirah   JORDAN
Dar'a   As Suwayda

Known Russian positions

1. Aleppo City
2. Kuweires Airbase
3. Neyrab Airbase / Aleppo Airport
4. Port of Latakia
5. Slinfah
6. Bassel al-Assad Airport
7. Tartus Naval Facility
8. Hama Equestrian Club
9. Hama Military Airport
10. Homs City
11. Shayrat Airbase
12. T4 Airbase
13. Damascus International Airport
14. Qamishli Airbase
15. Mediterranean Sea
16. Palmyra City
17. Tel Rifaat
18. Manbij
19. Dumayr
20. Muthabin
21. As-Suwayda City
22. Deir al-Zour Airbase
23. Hadher
24. Wafideen Camp

- Russia - Iran - Assad
- IS Control
- Hezbollah Dominated
- Syrian Kurdish Control
- Opposition Control
- Turkish / Opposition Control
- Airbase
- Russian Air Defense Missile Range

Data: Institute for the Study of War

39,000

ed as direct threats to Russia's security interests and Putin's political system.

On the other hand, the Arab Spring and the apparent readiness of major Western countries to embrace enthusiastically the ongoing changes in the Arab world gave the Kremlin a chance to demonstrate that Russia was different. Moscow stood by its strategic partners in the Middle East, articulated concerns about possible negative side effects of the swift and uncontrolled political and social transformation of the region, and cautioned against foreign support to anti-governmental, anti-regime forces riding the wave of the Arab Spring.

Vladimir Putin reacted to the disappointments and frustrations, which the awakening of populist movements in the Middle East triggered both within the region and outside of it, by offering his own narrative of contemporary world politics. The traditional Western narrative defined the main dividing line in the world as the global divide between democracy and authoritarianism. Whatever means served the cause of democracy, should be encouraged and supported; whatever contributed to the cause of authoritarianism, should be denounced and opposed.

Russia's new narrative, articulated after the beginning of the Arab Spring, held that such a juxtaposition was no longer relevant in the post-modern world. The real dividing line was not between democracy and authoritarianism, but between "order" and "chaos". With all the shortcomings and deficiencies of authoritarian regimes, these remained a preferable option compared to an uncontrolled and chaotic drive towards democracy. Those who supports chaos, willingly or unwillingly, explicitly or implicitly, ends up on the "wrong side of history"; those who stand for order against chaos, are instead on the "right side". This interpretation of history can be regarded as biased, oversimplified and self-serving, but it clearly gained significant traction in the Middle East, especially among conservative political regimes concerned about a possible new wave of the Arab Spring. In this context, the initial stage of the Russian military operation

in Syria, launched in September 2015, should be regarded primarily as a "pedagogical" action. Russia's intention was not to diminish the US position in the Middle East, let alone drive the US out of the region altogether. It was clear from the very beginning that Moscow could never hope to replace Washington in the Arab world as the prime security provider: it simply lacked the required economic, political and military resources to do so. Should the United States decide to withdraw from the region, the resulting void would be filled not by Russia, but rather by Islamist radicals – not a very attractive outcome for Moscow. Therefore, the goal was not to drive the US out, but to change the American policy in Syria and, hopefully, in the region at large by demonstrating the "right approach" to managing regional crises. This was particularly important in light of the ongoing conflict in and around Ukraine: the Kremlin was concerned about the implications of the conflict in its relations with the West and was willing to demonstrate that Russian involvement could not necessarily be part of the problem, but quite possibly part of the solution.

This phase of Russian military involvement in Syria lasted for about a year, during which Moscow persistently tried to engage Washington. Its efforts culminated in September 2016 with Sergey Lavrov, the Russian Foreign Minister, and John Kerry, the US Secretary of State, signing a ceasefire for Syria, also agreeing to a joint US-Russian air campaign against the Islamic State and other extremist groups and new negotiations on the country's political future. However, the deal turned out to be short-lived. Both sides accused each other of failing to deliver on their respective commitments; the conclusion reached in Moscow was that instead of trying to engage with the West in Syria and beyond, Russia should focus on building a "coalition of the willing" with regional actors interested in reaching a ceasefire in Syria.

Moscow's regional activism

In its attempt to forge an alliance with regional actors, Moscow could count on a

major comparative advantage that distinguished Russia from other main external powers involved in the Middle Eastern crises: it enjoyed good relations with practically all local players – Sunnis and Shias, Iran and Arab Gulf states, Israelis and Palestinians, Turks and Kurds, and so on. Russia's regional activism was also inadvertently encouraged by the Trump Administration as it hesitated to define a clear strategy towards either Syria or the region in general. The launch of the Astana process at the very end of 2016 turned out to be a significant political victory for Moscow. Throughout 2017 Russia consistently tried to capitalize on this initial success by broadening the range of participants to the Astana process and expanding the conversation beyond tactical de-escalation and ceasefire mechanisms to a more sustainable political settlement.

The second stage of Russia's direct engagement in the region proved more successful than the first one. However, it also brought to light a number of limitations. Iran and Turkey turned out to be incapable or unwilling to control many non-state groups fighting in Syria. Impressive military success on the ground made Damascus less inclined to discuss a political settlement in Geneva, and emboldened Bashar al-Assad to become more self-confident and arrogant. While trying to engage Turkey, Moscow alienated Syrian Kurds, who turned to the US for support and protection. In the end, Donald Trump turned out to be a loose cannon in the region, much more inclined to use US military power against the Damascus regime directly than his predecessor without making any serious commitments towards a political settlement and a post-conflict reconstruction in Syria. The so-called Congress of Peoples of Syria that Russia convened in Sochi in early 2018 clearly failed to produce a breakthrough in the situation on the ground; neither had it

indicated a visible progress in conceptualizing the political transformation of Syria in the direction of a more pluralistic, more representative and less centralized state.

THE CHALLENGES AHEAD

To maintain its current standing as a critical power broker in Syria as well as in a broader Middle Eastern context, the Kremlin has to figure out how to cope with three recent developments that call for significant adjustments in the Russian strategy.

First, the defeat of IS - which is definitely a positive development for all the parties engaged in Syria and in neighboring countries – has an important downside. Old regional rivalries, animosities, fears and conflicts that were set aside in order to fight the common enemy, are now making a comeback. As a result, it might become increasingly difficult for Russia to forge tactical alliances in the region, let alone strategic coalitions.

Second, the current Israeli-Iranian and US–Iranian rift immensely complicates Russia's role as an "honest broker" in the region. Neither Israel nor Iran is completely happy with the Russian policy of balancing its relations with the two states, with each party trying to draw Moscow to its side of the conflict. The risks of alienating either Iran or Israel, or even both, are therefore on the rise.

Lastly, if Damascus achieves a complete military victory and regains control of most of the Syrian territory, its current dependence on Moscow will inevitably decrease. Russia and its partners can arguably win the war, but they cannot win the peace in Syria, since they lack the resources to launch the process of post-conflict reconstruction in the country. No matter who will be in power in Damascus by the end of the war, the leadership in Syria will have to look for other partners and allies with pockets deeper than the ones of Moscow, Tehran, or Ankara.

1.10

Turkey between ambition and reality

Valeria Talbot

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SHARED SECURITY

In the wake of the Arab Spring, Turkey nurtured the ambition to influence regional transformations and to be considered a "source of inspiration"[1] for new regimes in the Middle East and North Africa. Economic growth, the process of democratisation and an increasingly prominent regional role appeared to be the main features of the "Turkish model", as many in the region and in the West defined it. Since the first Justice and Development Party's (AKP) government, Ankara had invested considerably in soft power and economic cooperation to re-shape relations with Middle Eastern countries. Following the policy of "zero problems with neighbours", Turkey attempted to act as a mediator in regional disputes and promoted free trade and visa liberalisation agreements with the aim to create an area of stability and economic integration. To a certain extent, this policy did bear fruit.

However, first the outbreak of the conflict in Syria, and then the rise of the Islamic State, radically changed the regional landscape. Turkey found itself confronted with new security challenges. Accordingly, the "economy first" approach was progressively replaced by a more security-focused and militarised foreign policy.

Regional developments also produced, on the one side, tensions with other Middle Eastern players and, on the other, an increase in Turkey's support to the Muslim Brotherhood and Sunni militias across the region that have brought Ankara close to Qatar and farther away from Saudi Arabia and the United Arab Emirates (UAE). In a highly volatile Middle East, the "zero problems with neighbours" policy has given way to "precious loneliness" and Turkey has been weaving tactical alignments with both state and non-state regional actors, depending on different crisis situations, based on common objectives.

THE GAME CHANGER

Turkey has been tremendously affected by conflicts, instability and fragmentation along its border, notably with Syria and Iraq. Negative spillover from its neighbours has changed Ankara's posture and policy in the Middle East, bringing security concerns to the top of its agenda.

In Syria, Turkey engaged first to topple the regime of Bashar al-Assad by supporting a plethora of opposition groups. However, after the consolidation of Kurdish autonomy in northern Syria, close to the Turkish border, containing the Kurds has become the main focus of Ankara's action. Ankara regards the Syrian-Kurdish Democratic Union Party (PYD) and its armed branch, the People's Protection Units (YPG), as affiliates of the Kurdish Workers' Party (PKK), the terrorist organisation that it has been fighting since mid-1980s. In this respect, national security and regional security calculations have become closely intertwined in the Turkish leadership's view. Both domestically and regionally, the Kurdish issue has made the target of Turkey's security efforts since mid-2015 when the peace process – and the ceasefire – between the AKP government and the PKK collapsed. For a year and half, the country witnessed brutal terrorist attacks perpetrated by both PKK and jihadi groups. While the southern provinces of the Anatolian peninsula turned into a battlefield between Turkish security forces and Kurdish militants, Ankara become more assertive in northern Syria, that was considered a training ground for PKK, and extended its action to northern Iraq,

+52%

trade volume growth between Turkey and Middle East since 2010

$33.2 billion

Turkish FDI outflows in Middle East in 2017

The role of Turkey in Syria after the military operation in Afrin

TURKEY

Russia's
Khmeimim
air base

IDLIB

Buffer zone

SYRIA

LEBANON

Turkish military operations in Syria

Operation Euphrates Shield
24 August 2016 - 29 March 2017

Strenght: **8,000 troops**

Operation Olive Branch (Afrin)
20 January - 24 March 2018

Strenght: **6,500 troops**

Areas of control
(as of 17 September 2018):

Opposition forces | Kurdish militias | Islamic State | Turkish influence | Hezbollah dominated

Data: IHS Conflict Monitor, Institute for the Study of War, liveuamap The Economist

where several PKK bases are located.

The shift in the Turkish government's priorities in Syria was more evident when Turkey's assertiveness translated into direct military action with the launch of the Euphrates Shield operation in August 2016. In fact, Ankara's rapprochement with Russia, Assad's main ally along with Iran, in mid-2016 paved the way for new options for Turkey in Syria. The decision to put "boots on the ground" aimed not only at pushing IS militants back from its border but also at stopping the advance of Syrian Kurdish fighters, thus trying to prevent the creation of a Kurdish autonomy in northern Syria that could act as a catalyst for Turkish Kurds self-rule aspirations. The memory of the territorial dismemberment of the Ottoman Empire after World War I is still alive in the country, and preserving national security and territorial integrity has been a vital interest since the creation of the Turkish Republic in 1923.

Against this backdrop, Turkey did not hesitate to intervene militarily again in January 2018 into the Kurdish canton of Afrin in order to secure its border and create a buffer zone in the Syrian territory controlled by YPG. Without Russia's acquiescence, Ankara would not have been able to carry out this operation. To pursue its interests, Turkey's policy has leaned more and more to-

wards Russia, while the country has found itself at greater odds with the United States, the main supporter of Kurdish militias.

With the deal reached in Sochi on 17 September between President Erdogan and President Putin for the establishment of a buffer zone in the area of Idlib, Turkey intended to show its willingness to "be part of the solution" in Syria. However, although over the past two years it has worked with Moscow and Tehran in the framework of the Astana process for a solution of the Syrian war, Turkey does not view the prospect of maintaining Assad's regime in power favourably. In any case, it is very unlikely that Turkey will leave Syria if there is no solution for a unitary country. For Turkey the cost to be in Syria may be high, but the cost of not being there could be even higher.

A PLAYER IN A CHALLENGING REGIONAL CONTEXT

Beyond Syria, Turkey also maintains a military presence in northern Iraq. In 2015, Turkey sent troops to Bashiqa to fight the Islamic State. The presence of Turkish special forces there, despite the Caliphate's defeat, remains a source of tension with Baghdad, which has repeatedly called on Ankara to pull out its troops. However,

154

casualties among the regular Turkish Armed Forces in Syria since 2016

TURKISH TOTAL TRADE BY PARTNER (2017)
Total trade in billion dollars and % on Turkish total trade

European Union	**159.1**	
% on Turkish total trade	*40.7%*	
China	**26.2**	
	6.7%	
Russia	**22.2**	
	5.7%	
USA	**20.5**	
	5.2%	
UAE	**14.8**	
	3.8%	

Iran	**10.8**
	2.8%
Iraq	**10.6**
	2.7%
Switzerland	**7.3**
	1.9%
South Korea	**6.9**
	1.8%
India	**6.4**
	1.6%
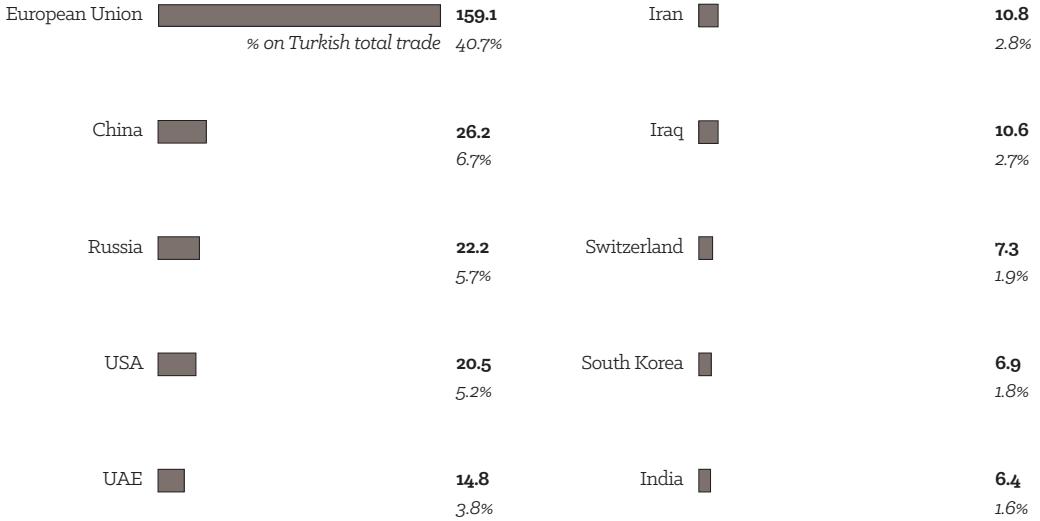
TOURIST ARRIVALS IN TURKEY, BY REGION
Number of tourists (in million)
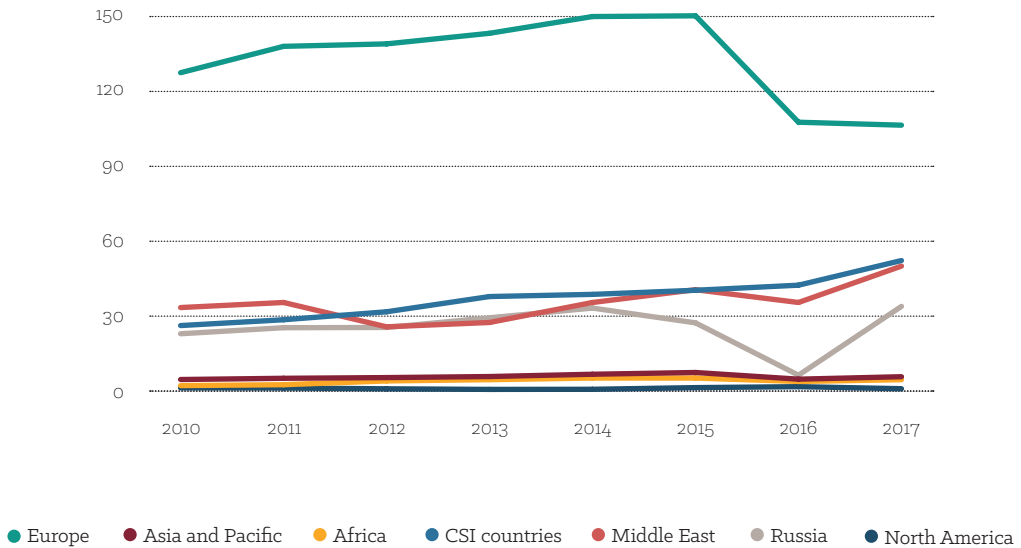
● Europe   ● Asia and Pacific   ● Africa   ● CSI countries   ● Middle East   ● Russia   ● North America

Data: Turkstat

Turkey is not going to leave as long as the PKK threat persists. The Kurdish issue has also affected relations with the Kurdish Regional Government (KRG), as Turkey strongly opposed last year's independence referendum. As in Syria, the Turkish leadership not only opposes the territorial dismemberment of Iraq, but is determined to contrast any move that could give an advantage to the Kurds' independence aspirations, in spite of the fact that KRG has been one of its main regional partners. At the same time, Turkey has also strived to safeguard its strategic, economic, and energy interests. Over the past decade, Iraq has been the first market for Turkish exports in the Middle East – $5.8 billion in 2017 – as well as an important oil supplier. With the aim of stabilising Iraq, last February Turkey pledged $5 billion for Iraqi reconstruction at the conference of donors in Kuwait.

However, Ankara's engagement in Iraq also aims at countering Iran's increasingly powerful hold in the region. Despite the tactical convergence in the Astana process and the common support to Qatar in the intra-Gulf crisis, Turkey and Iran are far from being allies. Ankara is concerned about Tehran's growing influence in the Middle East, especially in Syria, Iraq and Lebanon. Turkey perceives Iran's projection in the region as an attempt to position Tehran at the centre of a new order that might endanger its regional interests.[2] Nonetheless, while opposing its regional penetration, Turkey maintains good economic and energy relations with the Islamic Republic. Indeed, Iran is its first trading partner in the Middle East, with a trade exchange worth $10.8 billion in 2017[3] and one of its main gas supplier after Russia. According to the annual natural gas report of the Energy Market Regulatory Authority (EMRA), Turkey imported 9.2 billion cubic meters of natural gas from Iran last year, which accounted for 16% of the country's total gas imports.[4] Moreover, Turkey became the most popular destination among Iranian tourists: 2.5 million Iranians visited the country in 2017, a 50% increase compared to the previous year (1.7 million). Iran took a 7.7% share of total arrivals, constituting the third market for Turkey's tourism sector, after Russia and Germany.[5]

Distancing itself from Iran's regional ambitions does not mean that Turkey has embraced Saudi Arabia's hegemonic design. Riyadh's attempts to establish a new regional order are perceived as a threat to Turkish interests, although limiting Iran's influence also plays into the hands of Ankara. On several thorny issues, Ankara and Riyadh are not on the same page at all. From support to the Muslim Brotherhood to the alliance with Doha, it is evident that Turkey's vision of the Middle East does not correspond to the Saudi one. Nevertheless, Ankara has sought to keep good relations and prevent an escalation of tensions with Riyadh even in the wake of the recent Khashoggi case. Indeed, in a period of severe financial crisis, Turkey is trying to attract foreign capital and Saudi Arabia remains a major investor in Turkey. With $1,036 billion invested in 2017, Riyadh is by far the first Gulf investor in the country, holding a share of 2.4% in the Turkish stock market.[6] A decrease, or a withdrawal, of Saudi investment, or even a decrease in tourism, could negatively affect the country's critical economic situation.

What priorities for Ankara?

Beyond geographic and historical connections, in addition to security concerns, it is economic interests and energy needs that keep Turkey deeply involved in the Middle East. Turmoil in the region has profoundly affected Turkey, and Ankara seems keen to play again a stabilising role, acting for state stability and integrity in its neighbourhood, while preserving its vital interests. Turkey's diplomatic and military involvement in Syria is clear evidence of its commitment. This awareness has also spurred the Turkish government to attempt to mend its ties with countries, like Israel, with which diplomatic relations were frozen for a while. Indeed, finding a way out of isolation has become the overriding imperative for the country over the past years. To this end Turkey has preferred to opt for tactical alignment rather than strategic alliance, with the exception of the strategic partnership with Qatar. However, so far Ankara's quest for a stabilising role has not translated into a new vision for the Middle East. Today avoiding the emergence of a new regional order, be it under Saudi leadership or Iranian influence, which could endanger Turkey's vital interests, remains the undisputed priority.

SHARED PROSPERITY

2.1

Boosting economic reforms

Marek Dabrowski

Non-Resident Scholar at Bruegel, Professor at the Higher School of Economics in Moscow

For a long time, Southern and Eastern Mediterranean countries (henceforth SEMC)[1] struggled with serious socio-economic challenges and dysfunctional economic systems and policies. In the 2010s their macroeconomic performance further deteriorated due to the global and European financial crises, decline of commodity prices, and the failure of the Arab Spring, which triggered a new wave of intra-regional conflicts and added to the already high geopolitical and security risks. Finally, the badly needed economic and governance reforms progress at slow pace.

Slow growth, high unemployment, and macroeconomic fragility

Although the rate of GDP growth remains positive, it markedly slowed down in 2010s. In per capita terms, it is close to stagnation (Algeria and Tunisia) or even negative (Jordan and Lebanon) given rapid population growth in the region. That is, it is insufficient to generate enough jobs for rapidly growing labour force and to eradicate poverty. Unemployment rates remain high, especially for youths. This creates serious risks of social and political stability in the entire region. However, in Tunisia, the only emerging democracy in the region, these risks are particularly high. Slow growth, high unemployment, macroeconomic disequilibria and insufficient economic reforms can undermine the political gains of the 2010-2011 revolution.

Looking at other macroeconomic indicators one notices no progress in fiscal consolidation, disinflation and improving external balances. This makes all SEMC vulnerable to economic and political shocks regardless of their origin (global, regional or domestic).

Large fiscal imbalances and growing public debt

All countries continue to run large and, in most cases, increasing general government (GG) deficits which reflects a lack of progress in revenue collection and reducing expenditure. Only Jordan and Morocco managed to reduce deficits in 2015-2017. The lower deficit of Algeria in 2017 resulted from the recovery of oil prices.

Consequently, the gross GG debt to GDP ratio continues to grow everywhere. In 2017, it amounted to 152.8% in Lebanon, 103.3% in Egypt, 95.6% in Jordan, 71.3% in Tunisia and 64.4% in Morocco. Only Algeria's gross debt stayed lower, at 25.8% of GDP, but net debt (gross debt minus central bank reserves and government liquid assets) has increased by ca. 50% of GDP since 2014. Such high debts make SEMC dependent on concessionary financing.

Inflationary pressures and external imbalances

Furthermore, the engagement of central banks in financing fiscal deficits leads to higher inflation. In Egypt, where one-digit annual inflation was a rare phenomenon in the past, it skyrocketed to almost 30% in 2017, as a result of devaluation of the Egyptian pound and an increase of energy prices – a part of the IMF sponsored reform package. It may come down in 2018-2019 if reforms succeed.[2]

Current account deficits have widened everywhere except Morocco and Jordan and remain high (except Morocco) as a result of lower commodity prices, decreasing tourism revenue, and lax fiscal policies (twin deficits).

152.8% of GDP

the public debt of Lebanon in 2017

THE IMPACT OF THE 2011 POLITICAL CRISIS

Annual growth of real GDP of selected Southern-Eastern Mediterranean countries

Legend: Egypt, Algeria, Jordan, Lebanon, Morocco, Tunisia
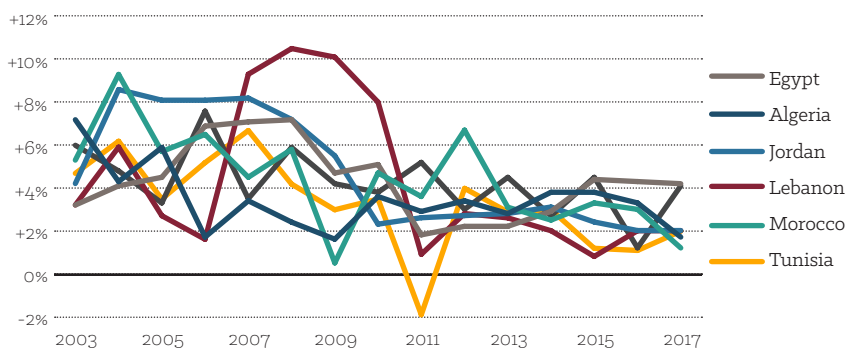
A REAL CHALLENGE FOR THE REGION

Unemployment total and youth (15-24), % of labour force

	Total unemployment			Youth unemployment		
	2008	2012	2017	2008	2012	2017
Algeria	11.3	11.0	10.0	24.0	27.6	23.9
Egypt	8.5	12.6	12.1	26.8	35.6	34.4
Jordan	12.7	12.2	14.9	28.6	30.9	39.8
Morocco	9.6	9.0	9.3	18.5	18.7	18.0
Lebanon	7.6	6.2	6.3	19.9	16.0	16.5
Tunisia	12.4	17.6	15.2	28.3	38.4	35.8

THE EXTERNAL IMBALANCES

Current account balance, % of GDP

Legend: Egypt, Algeria, Jordan, Lebanon, Morocco, Tunisia
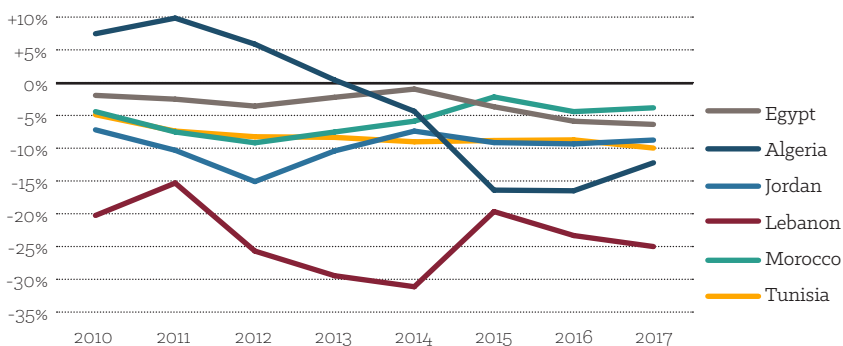
Data: International Monetary Fund, World Development Indicators

Removing subsidies?
Energy price subsidies, % of GDP
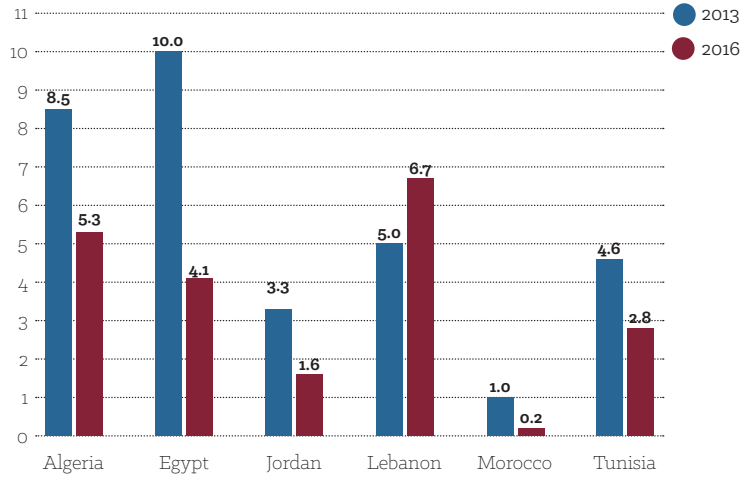
Data: IMF

Slow reforms despite IMF programmes

Slow growth and imbalances reflect limited progress in economic reforms.

While between 2013 and 2016 energy subsidies – the key item responsible for large fiscal deficits and main cause of energy inefficiency – were reduced everywhere except Lebanon and it happened largely due to the fall in international energy prices. Adjustment of domestic prices played a less important role and, in some cases (Lebanon, Jordan), it even reduced the positive effect of change in international prices (by decreasing consumer prices).

Energy subsidies are generated by administrative price controls. The same applies to food subsidies, which constitute another important expenditure item in Tunisia and Egypt. Increases in administrative prices or utility tariffs even if motivated by changes in import price or depreciation of domestic currency usually meet political resistance. Therefore, price liberalization or establishing an automated adjustment formula (in case of utility tariffs) is the only solution to remove subsidies in a sustainable way. However, few SEMC decided to go so far yet.

The public sector wage bill constitutes another large expenditure item in SEMC, es-

pecially in Algeria[3] and Tunisia[4], despite the rather poor quality of public services. This is a consequence of considering public employment as a social protection measure. Again, not much progress has been noticed in this respect.

The graph "The focus on security" shows high military expenditure in SEMC except Tunisia and, perhaps surprisingly (given the dominant role of the army in the country's political system), Egypt. This may be explained by regional security risks, unresolved conflicts and the authoritarian character of political regimes. Nevertheless, it also points to the potential of a peace dividend once political conflicts in the region are resolved.

Interestingly, Tunisia (since 2016) and Egypt (since 2017) have adopted ongoing medium-term IMF programmes (the Extended Fund Facility), but their fiscal and structural reform targets are not particularly ambitious. They aim at avoiding further deterioration of fiscal and external accounts rather than their substantial improvement. As illustrated by respective programme projections, both countries will continue to have high public debt at the end of the programme's life.[5] Therefore, their access to private financial markets on good terms may be problematic.

20.6%

the average female labour force participation in the MENA region. The lowest in the world

30%

the inflation rate in Egypt in 2017

The focus on security
Military expenditure (% of GDP)

- Algeria
- Jordan
- Lebanon
- Morocco
- Tunisia
- Egypt
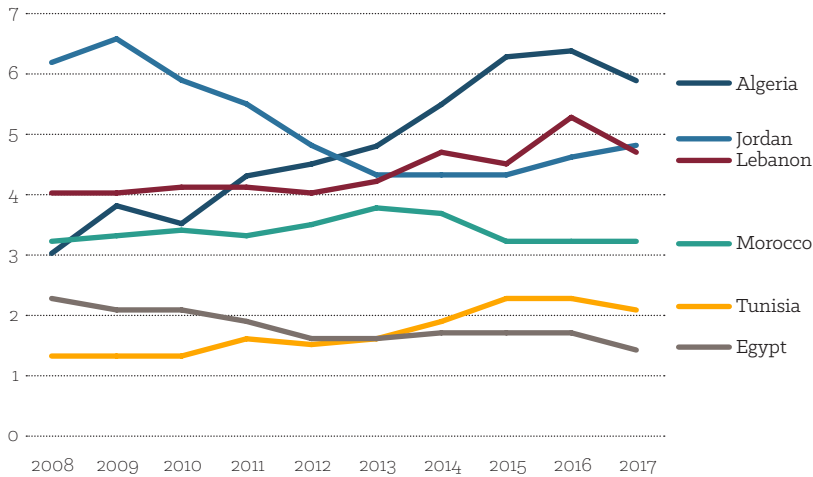
Data: World Development Indicators

LONG-TERM CHALLENGES

SEMC also face numerous structural and institutional obstacles to sustainable, more balanced and socially just economic growth. The private sector, which can generate higher growth and more jobs, struggles with bureaucratic barriers, corruption, poor governance and outdated regulations. Most countries continue to restrict foreign investment and convertibility of their currencies even for current account transactions.

Intra-regional trade remains limited despite the signature of numerous trade agreements.[6] Trade relations with the EU, the main economic partner, have not progressed beyond the free trade agreements signed in 1990s and 2000s, with an agenda usually limited to manufacturing products and tariff barriers. Only Morocco[7] and Tunisia[8] started negotiations on the Deep and Comprehensive Free Trade Area with the EU although they are far from concluding.

Poor education systems in the region are unable to offer the young labour force the knowledge and skills required by a modern economy. Most SEMC struggle with remaining pockets of illiteracy and early dropout from the school system. The low level of female labour market participation (between 15% in Jordan and 27% in Tunisia in 2017) is another factor, which decreases potential growth.

THE WAY AHEAD:
ACCELERATION OF REFORMS

Unless economic and governance reforms are accelerated, SEMC have little chance to get out of low growth trap and address their socio-economic problems such as high youth unemployment, low female labour market participation, poverty, low-quality education, underdeveloped infrastructure, and poor business and investment climate. They also risk public debt and balance-of-payments crises. SEMC need assistance from the international financial and development institutions and developed countries, in the first instance, the EU. Such aid, both financial and technical, should be strictly conditional on progress in economic, political and governance reforms. Resolving regional conflicts could also help the economic and social agenda by offering a substantial peace dividend.

#med2018
Southern and Eastern Mediterranean countries need assistance from the international financial and development institutions and developed countries, in the first instance, the EU

2.2

Saudi Arabia's post-oil economy: vast potential, big challenges

Naser Al-Tamimi

Independent Researcher, Political Analyst and Columnist

77%

of budget revenues in Saudi Arabia come from oil

$600 billion

the expected assets of the Public Investments Fund (PIF)

The Saudi economy is geared towards oil revenues, which have accounted for an averaged 77% of total budget revenues since 1985.[1] The decline of oil prices in 2014 exposed the kingdom's over-reliance on crude. In a short time, the situation changed dramatically as export revenue dropped significantly, Saudi Arabia's economic outlook deteriorated rapidly, and its financial future became uncertain.

To counter fluctuations in the global price of oil and the high dependence of the government budget on its exports, in 2016 Riyadh embarked on a bold and comprehensive economic reform agenda. In April 2016, then-Saudi Deputy Crown Prince Mohammed bin Salman unveiled "Vision 2030". Its programme provides a broad framework to help diversifying the economy away from its overreliance on petroleum exports and the public sector.

Vision 2030 calls on a combination of initiatives to develop a thriving private sector and promote greater investment opportunities while fostering greater activity in underdeveloped sectors of the economy such as tourism, defence industries, mining, retail services, and renewable energy.[2]

SAUDI STRATEGY'S KEY FEATURES

More than two years after the implementation of Vision 2030 it can be said that there are key features that have emerged in the future Saudi strategy.

Financial discipline. In order to improve the planning process and strengthen the public finance system, the Saudi government has launched a fiscal balance programme, which aims at strengthening the

fiscal discipline, developing non-oil revenues (excise taxes, implementation of the Value Added Tax, and expat levies), and enhancing spending efficiency (reducing subsidies, containing wages bill and nonessential capital spending) to gradually reduce deficit rates in the medium term.[3]

This programme, which coincides with the rise in oil prices, has brought about some positive developments for the Kingdom. The economy will emerge from recession in 2018 and growth may further accelerate in the coming years. Faster-than-expected gains in oil prices will also support the reduction of budget deficits over the next two years.[4] The fiscal deficit is projected to narrow to 4.6 percent of GDP in 2018[5] and will decline gradually as a proportion of GDP to return to surplus before 2024.[6]

A new source of income. The Public Investment Fund (PIF) is the centrepiece of Vision 2030. Under Vision 2030, the PIF is charged with contributing towards developing the local economy and investing globally to maximize sustainable returns and to diversify government sources of income.[7] Saudi Arabia's Crown Prince Mohammed bin Salman told Bloomberg recently that PIF's fund will surpass its target of increasing its assets to $600 billion by 2020: "We are now above $300 billion, we're getting close to $400 billion. Our target in 2020 is around $600 billion. I believe we will surpass that target in 2020."[8]

Foreign investment. Another critical pillar of Vision 2030 is Saudi Arabia's aim of increasing foreign investment.[9] In several key areas, Riyadh is successfully laying down the foundations needed to eventually

Still oil-dependent?
Oil proved reserves in the world, thousand million barrels (2017)

< 10

10-100

100-200

200-300

> 300

Venezuela	**303.2**	Russia	**106.2**	Nigeria	**37.5**	Algeria	**12.2**
	17.9%		*6.3%*		*2.2%*		*0.7%*
Saudi Arabia	**266.2**	Kuwait	**101.5**	Kazakhstan	**30.0**	Angola	**9.5**
	15.7%		*6.0%*		*1.8%*		*0.6%*
Canada	**168.9**	UAE	**97.8**	China	**25.7**	Ecuador	**8.3**
	10%		*5.8%*		*1.5%*		*0.5%*
Iran	**157.2**	USA	**50.0**	Qatar	**25.2**	Norway	**7.9**
	9.3%		*2.9%*		*1.5%*		*0.5%*
Iraq	**148.8**	Libya	**48.4**	Brazil	**12.8**	Mexico	**7.2**
	8.8%		*2.9%*		*0.8%*		*0.4%*
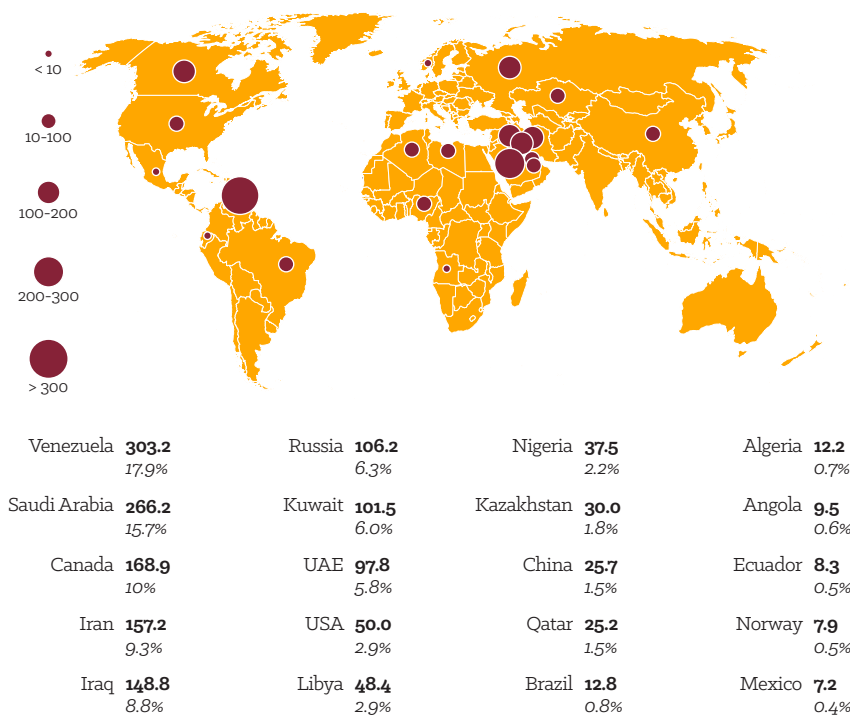
Data: BP Statistical Review

bring in more investment. These include the Kingdom's first comprehensive bankruptcy law, permitting 100% ownership in the engineering and retail sectors and a new public private partnership regulation.[10]

The recent inclusion of Saudi Arabia to the MSCI Emerging Markets Index and FTSE Russell EM Index, is a recognition of the rapid pace of reform.[11] The Economist Intelligence Unit expects this will drive substantial capital inflows from about $30 billion to $45 billion over the coming years, give the Saudi market greater global prominence and support the government's privatisation drive.[12]

Refining and petrochemicals. Petrochemicals are becoming the biggest driver of global oil consumption accounting for more than a third of the growth by 2030.[13] In this context, the Crown Prince of Saudi Arabia recently emphasized in an interview with Bloomberg that Aramco must invest sub-

stantially downstream "because we know that the new demand for oil 20 years from now, it will be from petrochemicals."[14]

Saudi Aramco is already proceeding with plans to expand and integrate its refining and petrochemicals units. It plans to raise its refining capacity to between 8 million barrels per day (mb/d) and 10 mb/d, from about 5 mb/d, and double its petrochemicals production by 2030.[15] The advantages of this shift are clear given that it enables the Kingdom to extract more revenue from each barrel of oil produced.[16] Importantly, Saudi Aramco in July 2018 announced the acquisition of a strategic stake in Saudi Basic Industries Corporation (SABIC, the world's third largest diversified petrochemicals company). Under the deal, Saudi Aramco would acquire a strategic stake in SABIC from the PIF, which currently holds around 70% of the company.[17] The acquisition of SABIC would

The crisis of oil prices
Average annual OPEC crude oil (2011-17)
US dollars per barrel
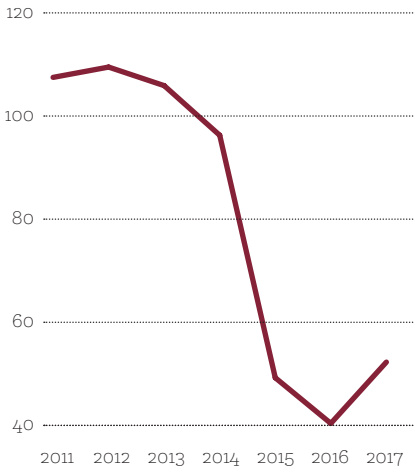
Data: OPEC

A rapid drop
Saudi Arabia oil revenues
as percentage of GDP

Year	Percentage
2011	49.1%
2012	46.7%
2013	43.4%
2014	38.9%
2015	22.6%
2016	26.4%
2017	25.4%
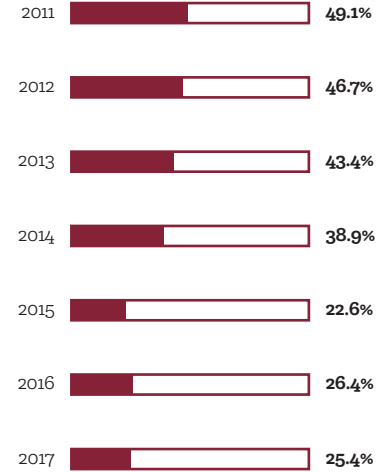
Data: World Bank

help Aramco in its ambition to become a global integrated energy giant and will create a more diversified energy giant, along the lines of ExxonMobil or Royal Dutch Shell.[18]

Privatisation. The Saudi government looks to reduce its footprint on the economy through privatisation, public-private partnerships (PPPs), and increased foreign investment. In April 2018, the Saudi Council of Economic and Development Affairs (CEDA) approved the Privatization Program Delivery Plan, which aims to privatise five government assets by 2020, bringing in total revenue of $9-11 billion.[19]

The Crown Prince of Saudi Arabia recently reaffirmed the commitment to sell public assets. "In 2019, we will have more than 20 services [companies] that will be privatised, most of them in water, agriculture, energy and some of it in sports", he said.[20]

Reduce oil consumption. Saudi Arabia is the largest oil-consuming country in the Middle East and the fifth largest in the world, according to calculations by the BP's Statistical Review of World Energy 2018.[21] The Kingdom is estimated to have consumed around 3.92 mb/d in 2017 (nearly a third of its pro-

duction), with the volume almost doubling since 2003.[22]

This is the key driver behind Aramco's focus on developing its gas reserves to displace liquids from power generation. Despite last year's gas gains, record volumes of oil were burned for power generation in 2017. Volumes edged up from 971,000 barrels per day (b/d) to 974,000 b/d as increased fuel oil consumption more than offset the decline in crude burn.[23]

In the long-term, if the government does not intervene to change the power generation structure by increasing energy efficiency, and accelerating development of alternative sources such as gas, solar and nuclear, strong growth in the transportation, power, petrochemicals and construction sectors will continue to drive oil demand in Saudi Arabia, a situation the government has indicated as unsustainable.[24]

Knowledge-based economy. The Saudi government regards education as a strategic priority. Efforts towards educational reform have gathered momentum, increasing the quality of teaching and access to schools.[25] Riyadh is focusing on improving education

30 million

of foreign visitors are expected in Saudi Arabia by 2030

and training, while also seeking to acquire cutting-edge technologies as steps to reconcile the needed skills to help transition Saudi Arabia into a knowledge-based economy, which is essential to the economy's longer-term potential.[26]

Tourism. There is increasingly strong support for the tourism sector as part of Riyadh's Vision 2030. Pilgrimages are a cornerstone of inbound tourism demand. The Saudi government is aiming to increase annual Umrah visitors from 8 million to 30 million by 2030.[27]

To enable this strategy, several large-scale tourism projects are being developed, and include an infrastructure pipeline of multibillion-dollar headline programs targeting road, rail and air transportation coupled with accommodation and service sector expansion.[28] Additionally, the Saudi government believes that deepening social reforms and religious tolerance, in addition to the introduction of tourism visas will significantly grow the base of tourism, attracting leisure tourists as well as religious and business visitors.

Challenges ahead

Yet despite this optimistic outlook, there are significant challenges awaiting Riyadh's future economic plans. A new collapse in oil prices could prompt another painful fiscal adjustment in Saudi Arabia.[29] Meanwhile, volatile global financial conditions could increase borrowing costs, jeopardizing the kingdom's push to reduce reliance on domestic funding.[30] Regional political and security issues (the war in Yemen, tension with Iran, and the Gulf crisis) remain challenging and could place greater pressure on Riyadh, damaging growth and investment prospects. Domestically, experience shows that the Saudi government will not hesitate to delay, modify, or altogether scrap some reforms if they produce more political tensions than anticipated.[31]

Meanwhile, deterioration in the security situation (terrorism, sectarian tensions, and emerging internal struggles within the ruling family) could deter foreign investment inflow. The confidence of foreign investors has already been shaken by internal arrests, as well as political tensions with countries such as Germany and Canada.

Perhaps in this regard, Riyadh needs more hard work and should provide guarantees and facilities to foreign companies to attract more foreign investments. To be sure, the World Bank's Doing Business 2018 report placed Saudi Arabia at 92nd globally.[32] Whilst, the latest data from UNCTAD's (United Nations Conference on Trade and Development) World Investment Report show that net inward foreign direct investment (FDI) fell to just $1.4 billion in 2017, the lowest figure since 2003 and the ninth consecutive year of decline (baring a tiny increase in 2015).[33]

At the international level, the prospect of an escalating US-China trade war may have a negative impact on the global economy in general and China in particular. Any significant slowdown in China could have a negative impact on the economies of East Asia, consequently damaging the positive prospect of Saudi Arabian exports.

A risky vision?

Vision 2030 is clearly an ambitious project and its implementation could take many years. However, obstacles to its implementation must not be underestimated; the risks are high, the process could be very slow, and even fail. Apart from political challenges and regional conflicts, the logistical challenges of implementing such wide-ranging reforms in an environment with a history of resisting change cannot be overlooked.

Although Riyadh has the economic and financial tools to adapt to the challenges in the short- to medium-term, for long-term stability, the economic diversification programme's success requires deepening domestic economic and political reforms, in addition to finding political resolutions for regional conflicts, especially in Yemen, as this ensures a safer trajectory to the country's development.

#med2018
Vision 2030's success requires deepening domestic economic and political reforms, in addition to finding political resolutions for regional conflicts, especially in Yemen

2.3

Youth unemployment:
a common problem
with different solutions?

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The Middle East and North Africa (MENA) region has some of the highest total and youth unemployment rates in the world, especially amongst women. Youth unemployment is especially worrisome because it is so high, it can have lasting effects on lifetime employability through the depreciation of skills and can be the cause of political instability. While the issue is common to most countries in the region, the factors behind it are not necessarily the same. Any policy recommendations therefore, need to carefully account for country characteristics and the limits they may set.

A COMMON SET OF PROBLEMS?

Across the region, the youth unemployment rate is high compared with countries at similar levels of income across the world. As a study by Bruegel (based on WDI) shows, perhaps with the exception of the highest income cohort, the level of youth unemployment is significantly higher than the rest of world.

The youth unemployment problem in MENA is part of a more general problem of low labour participation rates and total unemployment. With the exception of the high-income Gulf countries, the total employment ratio in MENA is low compared to countries at similar levels of income, lower by some 15 percentage points. There is also a high variation within the high-income MENA countries with the United Arab Emirates and Qatar having the highest em-

ployment to total population ratios while Oman and Saudi Arabia are characterized by the lowest ones. The employment to total population ratio of Oman is lower than the average of lower middle-income countries.

In discussing the youth unemployment problem in MENA, there is a tendency to lump the countries in the region together. However, it is important to recognize that one cannot speak of a common set of factors that accounts for the jobs problem across the Middle East and North Africa region. The countries at war – Syria, Yemen, Libya – are, of course, a story in themselves. Some countries not at war, notably Lebanon and Jordan, have seen huge inflows of refugees that have created large downward pressures on wages, especially in the low-skilled informal sector.[1]

The remaining countries can be divided into two main groups. The energy importers such as Egypt, Morocco, and Tunisia, have been unable to create sufficient jobs, especially for the young, and are the source of large diasporas. Officially, emigrants are 4-8%[2] of the population, but this figure would probably double if undocumented emigrants and their offspring born abroad are included. In contrast, the energy exporters such as Saudi Arabia have generated jobs in excess of their effective labour supply, have little emigration, and have attracted foreign workers and their families that add up to 30% of the native population. The UAE and Qatar, oil exporters whose native pop-

27%
the average youth
unemployment rate
in the MENA region

THE UNEMPLOYMENT PLAGUE

Youth unemployment (% of total labour force ages 15-24)

High income - MENA
Upper middle income - MENA
Lower middle income - MENA
Low income - MENA

World averages
Low income
Lower middle income
Upper middle income
High income
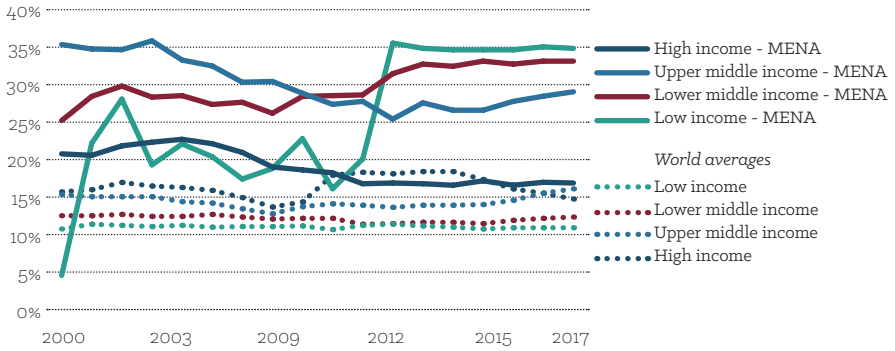
THE DIFFERENCES WITHIN THE REGION

Youth unemployment per country (2017)

High income		*Upper middle income*		*Lower middle income*		*Low income*	
Bahrain	5.80%	Egypt	34.43%	Algeria	23.88%	Syria	34.91%
Kuwait	15.49%	Morocco	17.96%	Iran	30.25%	Yemen	25.47%
Oman	48.24%	West Bank- Gaza	44.45%	Iraq	17.95%		
Qatar	0.48%	Tunisia	35.78%	Jordan	39.76%		
Saudi Arabia	34.66%			Lebanon	16.49%		
UAE	5.07%			Libya	45.95%		
World average	14.67%	*World average*	12.35%	*World average*	16.16%	*World average*	10.93%
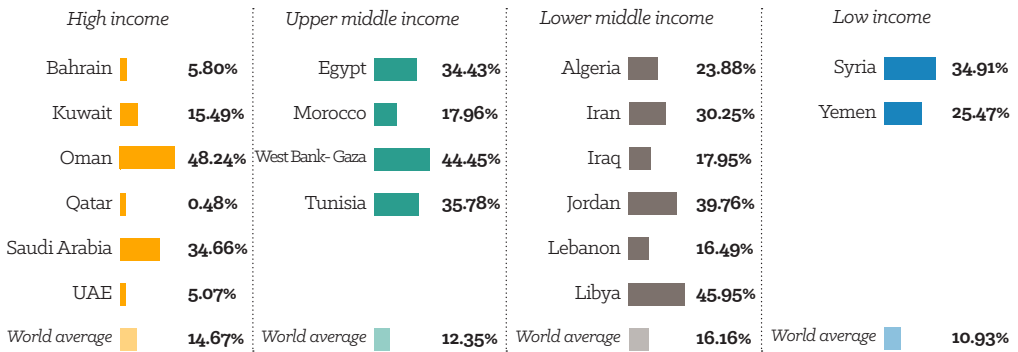
LESS EMPLOYED IN THE MENA REGION

Employment total population ratio: MENA income groups average vs world averages

High income - MENA
Upper middle income - MENA
Lower middle income - MENA
Low income - MENA

World averages
Low income
Lower middle income
Upper middle income
High income
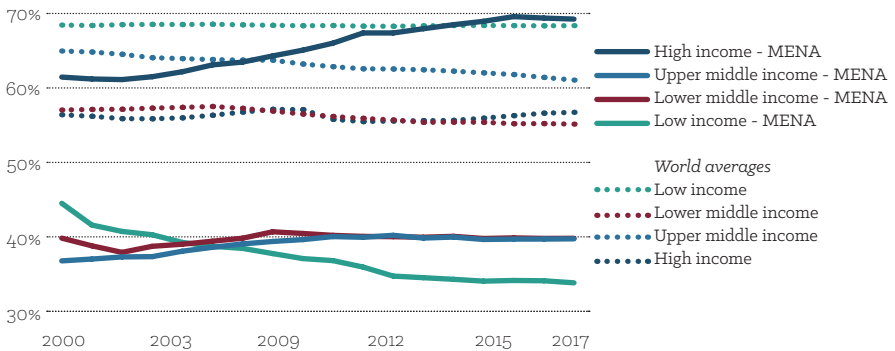
Source: Bruegel based on WDI (modelled ILO estimates)

Women vs men
Share of women in labour force (ratio to men, 2017)

 0.755 - world average

	Country	Value
Energy importers	Egypt	**0.310**
	Morocco	**0.341**
	Tunisia	**0.362**
Energy exporters	Algeria	**0.243**
	Bahrain	**0.467**
	Iran	**0.225**
	Kuwait	**0.576**
	Oman	**0.362**
	Qatar	**0.570**
	Saudi Arabia	**0.263**
	UAE	**0.461**
Countries receiving large numbers of refugees	Jordan	**0.226**
	Lebanon	**0.347**
	Libya	**0.400**
	Syria	**0.270**
	Yemen	**0.358**
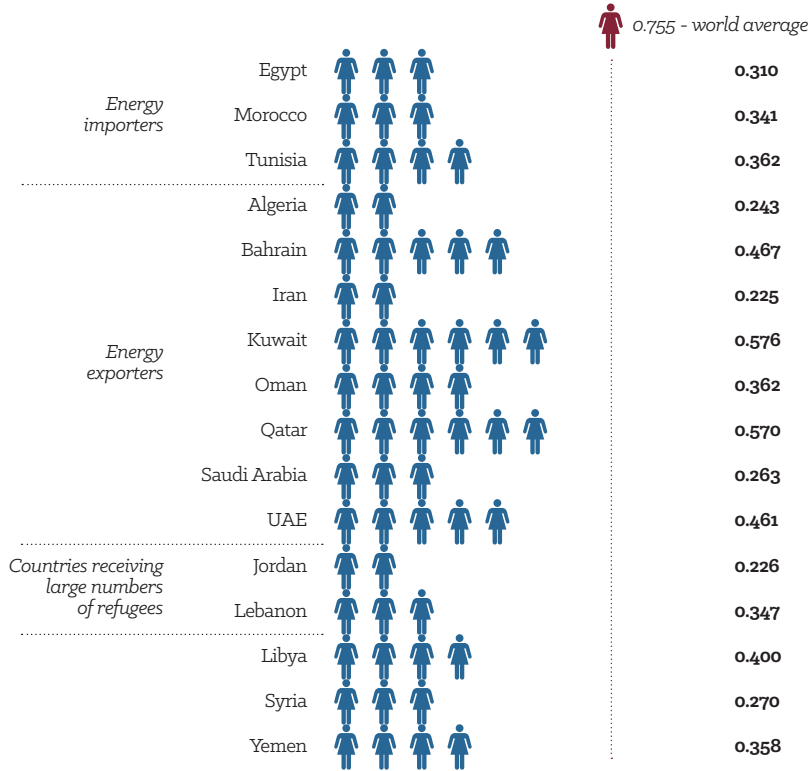
Data: World Economic Forum, the Global Competitiveness Index

45.9%
the youth
unemployment
rate in Libya

ulation is much smaller than that of Saudi Arabia, have foreign born populations that represent as much as 80% of the total.

Despite the need for and large inflow of foreign workers, Saudi Arabia (and to a lesser degree the other Gulf countries) suffers from relatively high unemployment or underemployment among natives and exhibits low labour market participation rates among women and the young. But it is difficult to relate this phenomenon to low demand for labour. Other factors, such as high expectations, high government wages and a preference to work in government (i.e. to wait until a job in government opens up), and views on women may be at play. Skill mismatch reflecting inadequate education outcomes may also be a major factor. Among the elites, as well as among the population at large, the possibility of relying on rents and government sinecures, may have reduced the incentive

to work in the private sector. A recent IMF report[3] shows that there is a large government-private sector wage gap in several MENA countries, with governments paying more for similar skills. Algeria displays some of the labour market characteristics of energy importers even though it is in fact an energy exporter. It has relatively modest energy endowments compared to its large population, high youth unemployment as well as a large diaspora, and is home to almost no foreign-born workers.

A striking feature, common across the region, is the low participation of women in the labour force, documented most recently in the above-mentioned IMF report. Though a separate analysis of this phenomenon lies beyond the scope of this exercise, it does underscore the importance of cultural and institutional factors in understanding job market trends in MENA, and the difficulties

that young women encounter in finding jobs compound the youth unemployment problem in much of the region.

Understanding the causes, seeking solutions

Unemployment is, as noted, a major obstacle to the region's human and economic development. However, while the problem cuts across most of the countries in the region, its drivers and possible solutions differ. In other words, the issue is urgent across the region, but country-specific analyses are needed to identify the right solutions.

In seeking to understanding the factors behind the surge in youth unemployment, there are undoubtedly both supply as well as demand factors that have contributed. Understanding which have been the main drivers of the employment outcomes we observe requires a careful examination of these factors individually. Demand factors include the rate of economic growth but also its volatility. High and stable growth provides both impetus for development as well as continuity, both of which are necessary for investment to be sustained. We observe that while growth rates in the MENA region can at times be high – and certainly are when compared to, for example, European countries –, the volatility of growth is much higher. This inevitably weighs in on the demand for labour and in particular young labour that is also subject to insider/outsider constraints.

On the supply side, the growth rates of the young population serve as a good proxy for capturing the supply of labour. Here we see important differences compared to other countries. MENA countries have typically higher shares of young population, the result of higher fertility rates in the past. As fertility rates catch up with European ones, these differences will also diminish. High income countries in – but also outside – MENA do have lower and declining shares of young people. But there are also structural factors that affect youth unemployment, like labour market flexibility that determines how easily demand for employment meets the supply of workers.

Other factors that could account for high youth unemployment include: rigidity of labour markets, low economic growth rates, and rapid growth of the young population, which increases supply.

According to the Heritage Foundation Index of Labour Market Freedom,[4] the Gulf countries' labour markets are among the most flexible in their income group, while those in the middle income group are among those comparatively less flexible, with Algeria and Morocco standing out as especially inflexible. However, it should be noted that these statistics reflect local laws and regulations, while in fact most MENA countries exhibit a higher degree of informality. So, these statistics help understand only one part of the labour market, and the overall labour market is arguably more flexible than those figures suggest.

In light of the many country-specific factors at play, including institutional and cultural influences, that affect youth unemployment across the world, capturing the drivers of youth unemployment in economic terms would not be easy, nor would it be sufficient. This is especially true for developing countries, which are characterized by higher levels of informality and underemployment, so that youth unemployment statistics for those countries provide only a very partial view.

The level and persistence of youth unemployment in the MENA region for at least the last 20 years has had a very high societal as well as economic cost. As long as generations of young people fail to enter the labour market – their skills will depreciate pushing them towards external income support and the economies of those countries will also fail to pick up. But more importantly, the social instability that youth unemployment brings about can become a very serious destabilising factor and a threat to more than just economic prosperity. Those countries need to understand the reasons behind their inability to integrate young people in the economy, design solutions that can properly function within each country's structure, and adopt appropriate measures with the utmost urgency.

80%
the foreign born population in the UAE and Qatar

#med2018
the social instability that youth unemployment brings about can become a very serious destabilising factor and a threat to more than just economic prosperity

2.4

Renewable energy: a solution to climate change

Tayeb Amegroud
Senior Fellow, OCP Policy Center

According to the multiple assessment reports issued by the Intergovernmental Panel on Climate Change (IPCC), the Mediterranean region is among what are regarded as the "hotspots" of our planet, where the impact of climate change is and will be the most severe.

A closer look into this projected worrying future for the region reveals strong disparities between countries. Southern and eastern Mediterranean countries (from Morocco to Turkey) are generally considered to be more vulnerable than those on the northern shore (from the Iberian Peninsula to Greece). Furthermore, the countries on the south-east shore are already suffering and will increasingly suffer from the consequences of more pronounced global warming. The implications of global warming in this region are compounded by a considerable environmental footprint with a long history of intensive exploitation of the region's natural resources.

The importance of the water-energy nexus

The energy sector lies at the heart of the global warming issue and reducing the amount of fossil-based energy resources is generally agreed to be an urgent imperative. Energy is the main CO_2 emitting sector, with emissions likely to significantly increase as more energy is required to fuel economic growth in the region and, paradoxically, to lessen some of the impacts of climate change (increased demand for water desalination, air-conditioning in buildings, etc.).

Primary energy demand in the Mediterranean region is dominated by fossil fuels, mainly oil and gas, mostly due to the transport and power sectors. This preponderance of fossil resources is reflected in the breakdown of greenhouse gas (GHG) emissions in the region, with the energy sector accounting for 70 to 80% of emissions in a majority of countries.

Furthermore, water stress and the water-energy nexus are identified as major sources of concern in the region as a result of climate change. Energy needs in the water sector are expected to increase rapidly due to growth in water demand, exacerbated by global warming; pumping of deeper aquifers; transfers of water over longer distances; the development of unconventional water production, especially as an adaptation strategy to climate change and to cope with shortages.

The need for an energy transition

As we move forward, as a result of demographic and economic growth, the Mediterranean energy system will face strong and growing pressures over supply, transport, distribution and consumption. In light of these challenges, issues related to energy efficiency, energy security and the reduction of greenhouse gas emissions have become key themes for energy policy makers to ensure a sustainable and balanced development of the region.

In this respect, the Mediterranean countries are called upon to embark in a regional energy transition, the objective of which will be to create a significant transformation of the current environmentally-unfriendly and climate-harming energy systems. This is all the more important as the Mediterranean region benefits from a vast potential of renewable energy resources that have remained largely untapped to date.

70%-80%
of greenhouse gas emissions in the MENA region derive from the energy sector

THE MEDITERRANEAN AT RISK OF WATER SHORTAGE

Country-level water stress in 2040 under the "business as usual" scenario

Low · Low to medium · Medium to high · High · Extremely high
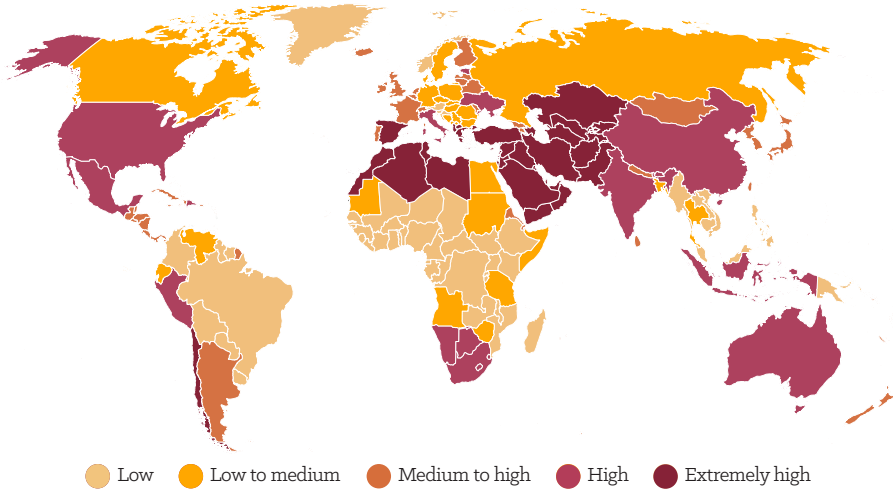
Data: World Resources Institute

THE GCC AS THE MOST POLLUTING COUNTRIES

CO2 emissions per capita and world ranking (metric tons, 2016)

Qatar	Kuwait	Bahrain	UAE
45.4 (1°)	25.2 (3°)	23.4 (4°)	23.3 (5°)
Saudi Arabia	Oman	Iran	Israel
19.5 (7°)	15.4 (10°)	8.3 (29°)	7.9 (31°)
Iraq	Turkey	Lebanon	Algeria
4.8 (58°)	4.5 (64°)	4.3 (71°)	3.7 (77°)
Jordan	Tunisia	Egypt	Morocco
3 (88°)	2.6 (94°)	2.2 (99°)	1.7 (112°)

Data: World Bank

**Egypt and Morocco
lead the renewable market**
*Total renewable energy capacity in the
MENA region (MW, 2017)*

Egypt	3,700
Morocco	2,907.5
Jordan	494.9
Algeria	481.9
Tunisia	348.4
UAE	140
Saudi Arabia	48
Qatar	44
Kuwait	40.5
Bahrain	5.9
Oman	0.7

Data: IRENA

$11 billion

were invested in
renewable energy in
the Arab world in 2016
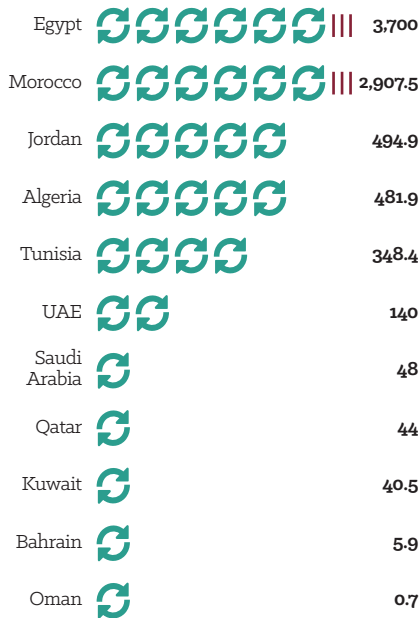
Solar energy is generally considered the most important renewable energy resource in the Mediterranean region. Usually known for its warm and sunny climate, the region is indeed blessed with one of the highest rates of sunshine hours per year worldwide. While photovoltaic power generation has become competitive in most parts of the regional electricity markets, various studies revealed that southern and eastern Mediterranean countries have vast potential to generate power through concentrated solar thermal (CSP) power plants.

The Mediterranean has also a plethora of sites suitable for wind energy generation (mainly in southern and eastern countries). It is generally recognised that some areas in the region belong to the world's top sites in terms of wind potential. Such favourable wind conditions are mainly found in Morocco and the Red Sea. As for geothermal energy resources,

they are particularly noteworthy in Turkey and Italy and represent a concrete energy production option for these countries.

In light of the critical threat that climate change represents to the Mediterranean region, particularly to the developing southern and eastern countries, a vast deployment of renewable energy technologies could generate important environmental benefits and contribute to climate change mitigation. In addition, renewable energy sources offer a viable option to diversify the region's energy mix and therefore to enhance its energy security. As for economic benefits, they will accrue mainly from the lower costs associated with renewable energy generation in the case of the southern and eastern Mediterranean countries and increasingly the northern countries too.

OBSTACLES TO REGIONAL COOPERATION INITIATIVES

Efforts to advance the deployment of renewables in the Mediterranean region have been spurred on mainly by national targets and policies. While northern countries have generally adopted regulatory policies (quotas and pricing policies) combined with financial and fiscal instruments to promote and direct private and public investments towards clean energy development, southern and eastern countries have favoured large-scale projects combined with public procurement policies.

Over the last two decades, several initiatives have emerged to further a regional or interregional approach to renewable energy deployment in the Mediterranean region. Those initiatives were usually inspired by the vision that electricity exports to Europe from large scale solar and wind projects in southern countries provide an efficient way to supply Europe with clean energy, on a large scale, and contribute to the self-supply of the North African region.

This vision was central to several large-scale renewable energy projects, aimed at shaping a new trans-Mediterranean EU cooperation through renewable energy. DESERTEC, the best known of these projects, played an important role in increasing public

awareness about CSP solar technologies and the vast renewable energy resources available in North Africa. Building on the hype around DESERTEC, many other initiatives were promoted by specific countries and regional institutions, namely the Mediterranean Solar Plan (MSP), MEDGRID and RES4MED. If DESERTEC, promoted mainly by academics and private investors, suffered from the absence of a clear political support, MSP – launched within the framework of the Union for the Mediterranean – initially enjoyed the support of the main regional institutions and governments. However, the plan of action, as outlined in the MSP Master Plan, failed to receive the political endorsement of the Euro-Med Energy Ministers and, thus, never translated into meaningful achievements on the ground.

The failure of these two flagship initiatives highlights the diverging interests between individual countries and the difficulty to reconcile the urgent short-term needs of the two shores of the Mediterranean with political long-term objectives. For instance, energy demand in northern Mediterranean countries is no longer expected to increase to levels which require large power imports from the neighbouring southern countries, thus challenging the original purpose of regional projects.

Nevertheless, a significant deployment of renewable energy in the Mediterranean countries would require the development of regional infrastructure, physical and non-physical alike, to allow for the flow and trading of power in large volumes. As such, power interconnections to physically link countries together as part of a single grid and common trading rules and markets, are deemed essential prior to embarking on any large scale regional renewable energy initiative.

While power interconnections are much more developed in the northern Mediterranean countries, national power grids are very heterogeneous in most of the countries of the southern Mediterranean shore. The electricity grid is not continuous but fragmented into several blocks. The south-west block, which includes Morocco, Algeria and Tunisia, was the first to be connected, in 1997, to the European grid via a submarine cable system connecting grids in Morocco and Spain. The Turkish block was synchronized with the European grid in 2011, via Bulgaria and Greece. As for the south-west block, which includes Libya, Egypt, Jordan, Syria and Lebanon, power interconnections between countries are very limited.

A COMMON VISION AS THE WINNING STRATEGY

In this context and in order to overcome the lack of adequate physical infrastructures and the absence of a common regulatory framework, a more pragmatic approach could be adopted to move beyond the dominant framework of bilateral cooperation between Europe and the rest of the Mediterranean, with the aim of:

• **Supporting countries from the southern shore to address their respective energy challenges** (costs, access, subsidies, regulation) in order to further economic growth and hence promote regional stability.

• **Supporting a regional transition to clean energy systems** as an important part of the EU response to the challenge of climate change.

• **Considering energy systems as a whole and building on the region's history of gas production**, following recent discoveries in eastern Mediterranean region. Gas trade and flows between the two shores might indeed represent a catalyst for increased regional energy integration.

Climate challenges as they pertain to the energy sector in the Mediterranean region are well known, but they require a multifaceted, coordinated domestic response and a considerable level of cooperation between countries in the region. The urgent need to mitigate global warming and preserve surrounding ecosystems requires a fast transition to low-carbon energy systems and a number of other adaptation measures to foster the resilience of rapidly expanding cities and rural communities. Most importantly, a regional response requires, above all, a common vision supported by an inclusive partnership that brings together the interests of the different stakeholders as the basis for a political project.

13,000
new jobs were created in the sector of solar water heaters in Morocco in 2017

3

MIGRATION

3.1

The Global Compact for Migration: a platform for development

Marta Foresti
Director of Overseas Development Institute (ODI) Human Mobility Initiative and Principal Research Fellow

It is commonly understood — or rather assumed — that a key driver of migration from Africa to Europe is the lack of economic and social development opportunities in many low and middle-income countries, especially in light of the demographic trends in both continents. However, in reality the relationship between migration and development is more complex. While poverty and lack of opportunities are certainly among the factors leading to the decision to migrate, so are improved financial resources, information and social networks acquired through development processes, which are instrumental to attempt migration journeys and succeed in achieving better outcomes for those who migrate, their communities of origin and destinations.[1] The following analysis will focus precisely on the nature of these complex relations and the opportunities presented by the forthcoming Global Compact for Migration (GCM),[2] for countries of origin, transit and destination.

Migration can be a strategy to help achieving economic and social development objectives, for migrants as well as for host communities.[3] Yet, this is not what we hear on the news in Europe and beyond, where the dominant political rhetoric points towards development aid as a mechanism to reduce or stem irregular migration flows, fundamentally ignoring the evidence of the positive relationship between levels of development and growth, and migration patterns.[4] It is striking for example that up until recently migration rarely featured as a priority or even a theme in most bilateral or multilateral European development agencies' strategies and plans, let alone in their operational programmes.

The Global Compact for Migration is the first ever internationally agreed framework to better manage global human mobility. Following two years of broad and far-reaching consultations and at time tense political negotiations amongst states[5] it will finally be adopted by most UN member states (with the exception of the US and Hungary) in December 2018. The implementation of the GCM will offer an opportunity to address the misconceptions around migration and development, and to advance pragmatic, fact-based principles and commitments to govern migration in ways that can be conducive to improved development outcomes.

Why migration is key to achieve all Sustainable Development Goals?

Sustainable development is defined in the 2030 Agenda in holistic terms. It is important to frame the role of migration in achieving development outcomes in similar terms: not only as a standalone objective or set of targets, but also as a means to achieve all the goals.[6]

Central to the Agenda 2030 are not only the 17 Sustainable Development Goals (SDGs), but also — for the first time in a global development framework — an emphasis on partnership and international cooperation between all states, beyond traditional north/south divides.[7] This is especially important as the value of multilateralism and international cooperation comes under increased scrutiny and scepticism. While state sovereignty will always be the cornerstone of migration policies, the very fact that international migration involves people moving between countries requires some degree of cooperation to ensure effective solutions/approaches.

3.4%
of total world population is migrant

60%
of total migrants in the world live in Asia or Europe

MIGRANTS IN THE WORLD (2017)

● Indicates where international migrants live

● Indicates where international migrants come from

NORTH AMERICA
58 million
5 million

LATIN AMERICA and the CARIBBEAN
10 million
39 million

EUROPE
78 million
64 million

AFRICA
25 million
38 million

ASIA
80 million
110 million

OCEANIA
8 million
2 million
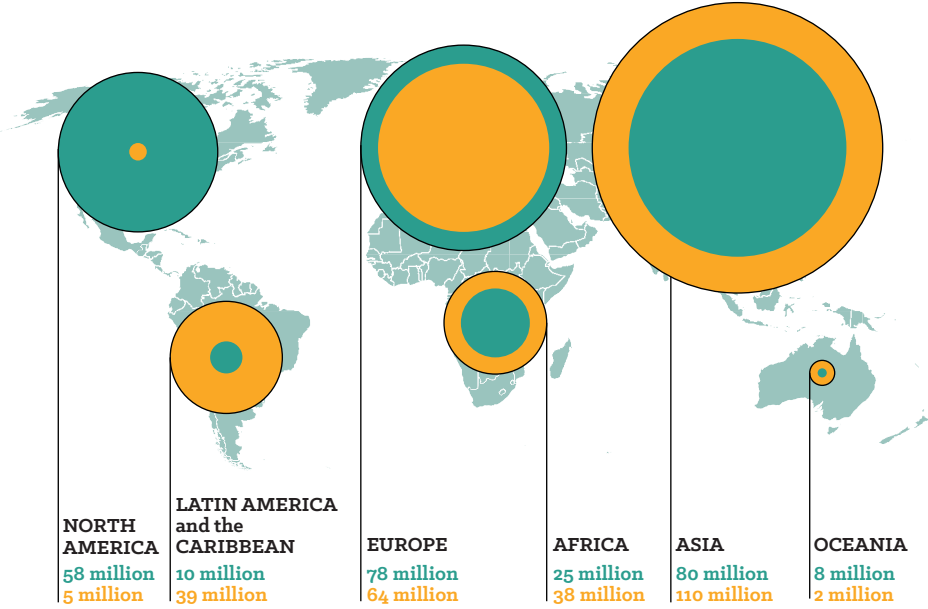
2/3 of international migrants live in Europe or Asia

258 million
the number of international migrants in 2017.
An increase of 85 million since 2000

14%
are below 20 years old

39
median age

48%
are women

Data: United Nations

The importance of remittances
Remittances inflows by country, millions of $ (2017)

First 10 countries for remittances inflows as % of GDP (2017)

Country		%
Tonga	●●●	**33.6%**
Kyrgyzstan	●●●	**32.7%**
Tajikistan	●●●	**29.4%**
Haiti	●●●	**26.1%**
Nepal	●●●	**25.3%**
Yemen	●●	**24.2%**
Gambia	●●	**19.8%**
Comoros	●●	**18.7%**
Honduras	●●	**17.9%**
Moldova	●●	**17.8%**

Legend:
● > 30,000 ● 10,000-30,000 ● 5,000-10,000 ● 2,000-5,000 ● 1,000-2,000 ● < 1,000 ● no data

Data: World Bank

Finally, and crucially, the 2030 Agenda is supported by the necessary political "traction" in different member states and in the multilateral system. Agreed in 2015 as a follow up to the popular Millennium Development Goals (MDGs), the SDGs underpin most national and international efforts to address the challenges and opportunities posed by sustainable development at different levels. This broad policy platform coupled with political visibility and "positive" framing can be an useful entry point to address the realities of human mobility as part of the development process, beyond the negative rhetoric that accompanies them in many countries.

THE GCM AS A PLATFORM FOR ACTION

Relying on the SDGs and the implementation of the Agenda 2030 has not however been enough to secure concrete actions and results, and to bring human mobility to the heart of the development endeavour. In fact, so far progress seems slow and the migration and development communities have talked past each other. Several papers have been written, debates are being held and strategies are being developed, but action is thin on thin ground.

The forthcoming adoption of the GCM and especially its implementation offer a unique opportunity to make some real progress. However, much will depend on the concrete policy choices that states will make in the months and years ahead to ensure that development policies and plans take (into) account and make the most of the realities of human mobility.

First, the text of the GCM offers a number of entry points to anchor concrete proposals on migration for development. Sustainable development is one of the guiding principles underpinning the GCM, recognising the role of migration to achieve development outcomes. Furthermore, in Objective 23, member states commit to aligning the implementation of the GCM, the 2030 Agenda and the Addis 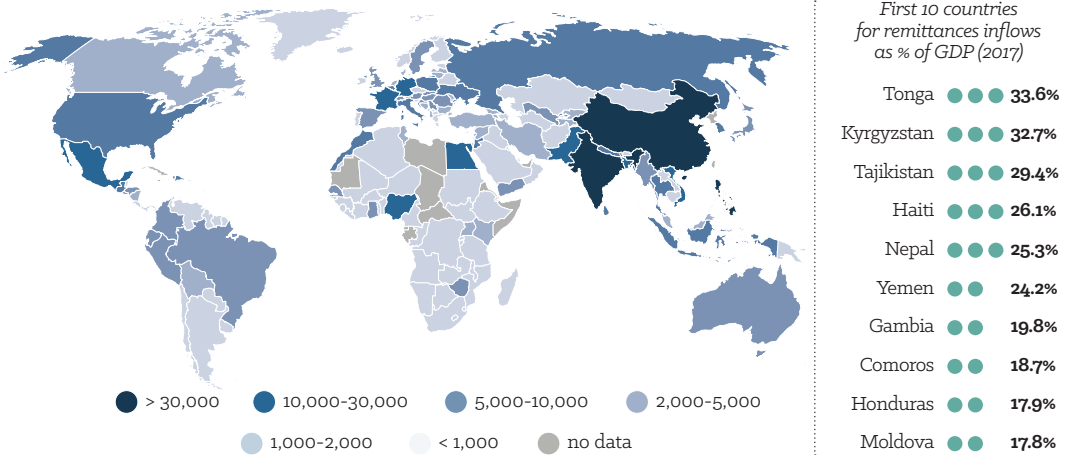Ababa Action Agenda, recognising that migration and sustainable development are multidimensional and interdependent. Finally, Objective 2 recognises the role of development policies and the Agenda 2030 to mitigate the adverse drivers and structural factors that can compel people to leave their countries.

The significance of the political and diplomatic process leading up to the agreement of the text cannot be exaggerated.[8] When the Compact process started, many were sceptical about the likelihood of the GCM ever seeing the light of day. To be sure, the final text is not perfect and it is the result of many necessary compromises, for example between African and European states with different positions

12.2 million

migrants living in Saudi Arabia (the second country in the world)

on the need to increase of legal pathways to address irregular migration. And yet, it provides a useful set of options for state and other players to act upon, to test new forms of international cooperation and to explore solutions and pragmatic ways forward.

This is key when it comes to sustainable development, which, like international migration, rests on the willingness and ability of states to cooperate to address global challenges and improve people's lives.

It is especially important that during negotiations, member states recognised the need to root the GCM within the framework of the 2030 Agenda and the synergies that exist between the two policy processes. It is now the UN system's task to make the most of the existing implementation mechanisms and monitoring processes to ensure consistency.

Beyond these general principles, the text of the GCM includes a number of specific entry points and objectives directly related to development outcomes, including the need to expand access to basic services to migrants, to invest in skills development and job creation, to create conditions for migrants and diaspora to contribute to sustainable development in all countries, and to promote faster, safer and cheaper transfer of remittances. In practice, this offers member states and other actors a menu of options to choose from and act upon. Some initiatives are already underway and gathering momentum: mayors are mobilising to ensure that cities continue to host and integrate migrants, who in turn contribute to the economic and social development of local communities.

Finally, from an implementation perspective, *how* to do development is as important as *what* to do. First, *be smart*, and *innovative*. The focus should be on building coalitions and partnerships – between countries and cities, with development organisations and actors and with the private sector. States should identify and work towards realistic and politically viable objectives, which adapt to specific needs and opportunities. It will be important to avoid blueprint approaches and unrealistic promises. Second, be *globally inspired,* but *locally-led.* While the aspirations of the GCM and the SDGs are global and grounded in international cooperation, actions need to be led locally and rooted in specific contexts, countries, regions and markets where specific development opportunities and challenges exist.

HOW TO ENSURE THE COMPACT ACHIEVES WHAT IT SETS OUT TO DO

Like all globally negotiated frameworks, there are limits to what the GCM can achieve, as well as some specific risks to avoid. Here it is key to learn the lessons from several years of development practice and policy formulation, as well as from the evidence on the nature of the migration and development nexus.

First and foremost, it is necessary to contrast the emerging narrative in some countries – mostly responding to domestic political pressures – that development aid can be effective at reducing or deterring irregular migration: the evidence suggests that this is not a realistic objective that risks diminishing public support.[9] There is the risk that viewing migration through a development lens may reinforce or replicate unhelpful dichotomies of donor-recipient or origin-host country. Instead, the GCM is an opportunity to frame development and migration relationships between countries as reciprocal and mutual under a global framework. Development happens along migration journeys, with opportunities and challenges also emerging in so-called "transit countries" where development programmes and interventions can also make a difference.

Secondly, development on its own cannot ensure that all opportunities are seized. However, it can be part of a comprehensive strategy to better manage migration and make the most of its economic and social benefits.

The GCM offers a concrete opportunity for countries and other key actors to work together to shape migration and development in mutually beneficial ways, ensuring that the movement of people can happen in a safe and orderly manner, and thereby contributing to sustainable development across the globe. Significant demographic and economic pressures mean that the meaningful question is not how much migration can be prevented with development policy. It is rather how better migration governance can bring about shared, sustainable development outcomes.

3.2

Migration and demography in Europe and Africa: planning new responses

Stefano M. Torelli

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7.2

children per woman, the fertility rate in Niger

Migration is an unstoppable phenomenon, which is part of the very nature of mankind. For thousands of years, people have been moving from one part of the world to another, driven by different causes: exceptional and often disastrous natural phenomena such as earthquakes, floods, droughts; lack of economic prospects in their country of origin; harassment by authoritarian governments; mass expulsions; conflicts and wars. In 2017, around 257.7 million migrants were registered worldwide (UN population prospects). Of these, more than 14% (36.3 million people) are from Africa. The causes of migration are disparate, but above all demographic trends are at the base of current migratory flows from Africa. By 2050, the population of the African continent will double, from the current 1.2 billion people, to more than 2.5 billion. To give a picture of the demographic imbalances we are facing, over the same period the European population could even decrease, from about 740 million to just over 700. The demographic trends are therefore at the centre of the migratory dynamics of the coming decades. This holds true in the presence of particular demographic conditions in a given country or community, under specific economic and social conditions. From the migrants' point of view, many studies have shown that there is a direct correlation between the age of the individual and the choice to migrate: there is a much higher probability that people decide to emigrate when they are younger.

AFRICA'S BOOMING DEMOGRAPHY

If we look at the demographic composition of sub-Saharan Africa countries, it is clear that they are experiencing the peak of demographic expansion and, at the same time, they have the youngest population in the whole world. Niger and Mali are the countries with the lowest median age in the world, respectively 15.4 and 15.8 years, closely followed by Burundi, Burkina Faso and Chad, with a median age of 17, 17.3 and 17.8 years respectively. Nigeria, one of the countries with the greatest emigration rates in Africa and a demographic heavyweight with 186 million inhabitants, has a median age of just 18.4 years. On the other hand, these same countries rank among the last globally in terms of wealth: with a GDP per capita of $808 per year, Burundi is the third poorest country in the world, while Niger comes in fifth with just over $1,000 per capita. In this ranking, 27 of the poorest 30 countries in the world are sub-Saharan countries, the others being Afghanistan, Haiti and Yemen. Against this grim background and in the absence of perspectives for the future, in the coming decades it is plausible to expect that millions of those people will try to leave their country of origin. In absolute terms, the exponential population growth in these countries will only increase the number of people who will try to emigrate. Although more than half of African migrants (53%) currently move to settle elsewhere in the African continent, it is also conceivable to expect the number of people trying to reach Europe to grow.

The demographic explosion in Africa
Estimated population growth by 2050, by region

North America 51%

Europe 5%

Asia 28%

Africa 115%

Latin America and Caribbeans 33%

Oceania 31%
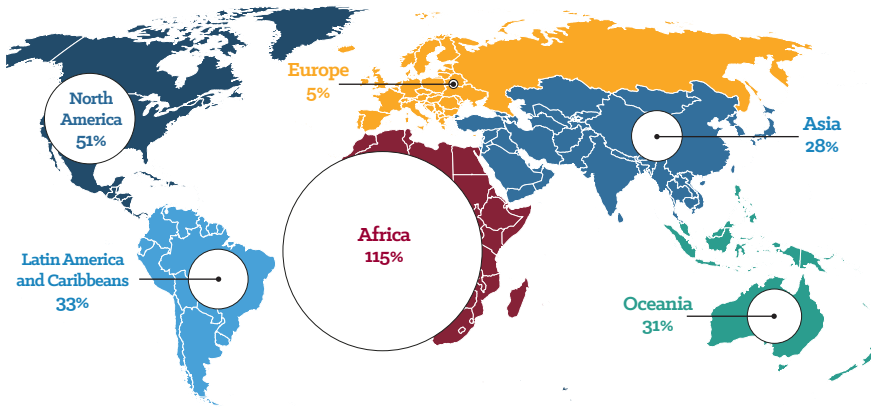
Data: UN population prospects

The other side of the coin: an ageing Europe

European countries (especially southern European countries) lie at the antipodes in terms of demographic trends. Germany, Italy and Greece are, after Japan, the three oldest countries in the world, with a median age of 47.1, 45.5 and 44.5 years respectively. Life expectancy in almost all European countries is more than 80 years, with peaks of 83 years in Spain, 82.7 in Italy and 82.4 years in France and Sweden. In contrast, the fertility rate, an indicator that measures the potential population growth of a country, is 1.3 children per woman in Greece and Spain, 1.4 in Italy and 1.5 in Germany, among the lowest in the world, while in Niger the figure is 7.2 children per woman, in Mali more than 6, and in Nigeria 5.5 children per woman. This combination of factors makes Europe and Africa potentially compatible in terms of demographic trends, meaning that European imbalances could be offset by the arrival of new migrants over the next few decades. This assumption is based on solid evidence that cannot be overlooked and is a source of concern for the long-term sustainability of the social and economic models of European societies. The fact that the European population is bound to age even more in the future without any improvement in birth rates will make policy changes imperative to meet the needs of the elderly population.

The ratio between retired people and working age population (old dependency ratio) will be higher and is expected to grow further. Already today, in countries like Italy, Greece and Germany, this ratio is one to three; this figure is estimated to double by 2050, making the sustainability of the current pension system extremely difficult in the absence of proper demographic growth to balance the scale. Moreover, elderly people will need assistance, especially in those countries where this kind of service is not predominantly provided by the state (as is the cases in The Netherlands and Sweden), but rests on informal systems, especially families (as is the case in France, Germany and to a greater extent Italy). In Italy, people over 75 years will rise from the current 7 million to about 12 million by 2050. With women increasingly integrated into the labour market and the working population decreasing, more people will be required in the care sector to provide adequate assistance. Today, across Europe, more than 60% of care workers are migrants and states are unable to provide long-term care. Since among the

36.3 million

migrants from Africa in 2017

THE AGEING CONTINENT

Percentage of population aged 65 years and older

- 20-23%
- 18-20%
- 15-18%
- 13-15%
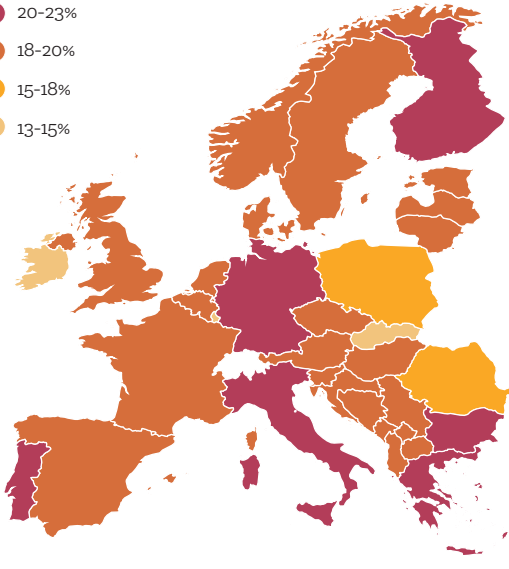
Italy	**22.3%**	Slovenia	**18.9%**
Greece	**21.5%**	Czech Republic	**18.8%**
Germany	**21.2%**	Malta	**18.8%**
Portugal	**21.1%**	Hungary	**18.7%**
Finland	**20.9%**	Belgium	**18.5%**
Bulgaria	**20.7%**	Netherlands	**18.5%**
Latvia	**19.9%**	Austria	**18.5%**
Sweden	**19.8%**	United Kingdom	**18.1%**
Croatia	**19.6%**	Romania	**17.8%**
Estonia	**19.3%**	Poland	**16.5%**
Lithuania	**19.3%**	Cyprus	**15.6%**
France	**19.2%**	Slovakia	**15.0%**
Denmark	**19.1%**	Luxembourg	**14.2%**
Spain	**19.0%**	Ireland	**13.5%**

LESS AND LESS SUSTAINABLE?

Old dependency ratio (population 65+ to population 15-64 years)

Italy	**34.8%**	Belgium	**28.6%**
Greece	**33.6%**	Czech Republic	**28.6%**
Finland	**33.2%**	Slovenia	**28.6%**
Portugal	**32.5%**	Netherlands	**28.4%**
Germany	**32.4%**	United Kingdom	**28.2%**
Bulgaria	**31.8%**	Malta	**28.1%**
Sweden	**31.6%**	Hungary	**27.9%**
Latvia	**30.8%**	Austria	**27.6%**
France	**30.7%**	Romania	**26.7%**
Estonia	**30.0%**	Poland	**24.2%**
Croatia	**29.8%**	Cyprus	**22.8%**
Denmark	**29.7%**	Slovakia	**21.5%**
Lithuania	**29.3%**	Ireland	**20.7%**
Spain	**28.7%**	Luxembourg	**20.5%**
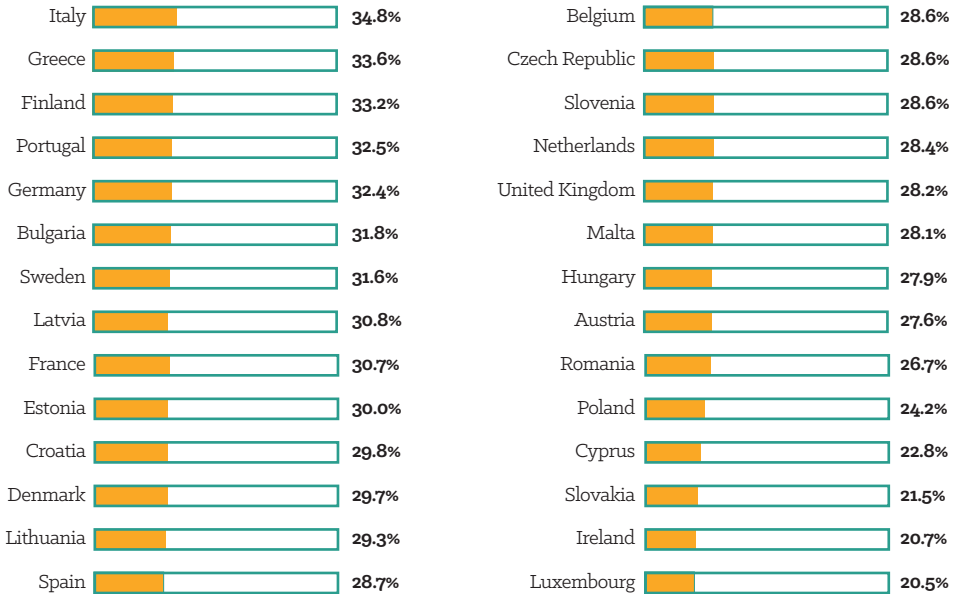
Data: Eurostat

drivers of demographic growth (fertility rate, life expectancy and migration) migration is the single greatest driver in Europe, many sociologists argue that adequate assistance to the elderly could be guaranteed only thanks to new arrivals of migrants. This, in turn, raises the problem of migrants' integration and regularisation within European systems. There is currently a disproportionate recourse to the grey or black labour market. In the absence of clear regulations, host societies benefit from the work of migrants who do not have the legal right to work in those countries, without providing social services to carers in return. This also fuels a perpetual misunderstanding about the important and positive role that migrants play within European societies. In recent years, many European countries have suspended their quota system for working reasons (the so-called "flow decrees"), but those same migrants could be better integrated if they were allowed to enter those countries with worker visas. This would disincentivise irregular migration and would increase the migrants' contribution to the economies of their host countries. In Italy, for example, regular migrants pay approximately €6.8 billion in labour taxes to the state coffers and almost €11 billion in pension contributions, which equals around 640,000 pensions (4% of total Italian pensions).

INTEGRATION AS AN ASSET FOR THE FUTURE?

In addition to assistance to the elderly and housework, the other sector in which migrants are mostly employed in Europe is agriculture. The European countryside is experiencing increasingly high levels of depopulation and abandonment and generational renewal has become a serious problem. In this context, one third of the salaried agricultural workforce in southern Europe is made up of migrants. In Spain, 24% of the workforce

in the primary sector is made up of migrants, and the figure increases to 37% in Italy and over 50% in Greece. There are at least three conditions contributing to this trend: access to food and accommodation is cheaper in the countryside than in urban centres; the skills required in the agricultural sector are often matched by migrants that have already worked in that sector in the country of origin; in rural areas, work is less visible and therefore it is easier to employ migrants informally. The latter factor, however, also leads to the exploitation of migrants' work, which is common in some areas of Spain and southern Italy, where labourers are often irregular migrants coming mostly from sub-Saharan Africa. In this case too, policies aimed at regularisation would be beneficial both to the state and to the migrants and would contribute to fighting the organised crime networks that are behind this kind of organisation and exploitation of labour.

Migration dynamics are directly influenced by demographic ones. In countries where poverty is widespread and population growth rates are high, people are more likely to emigrate. In the medium-long term, this will happen increasingly often in sub-Saharan Africa. In contrast, in Europe the decrease in fertility and increased longevity will lead to a demographic shift towards an ageing population. A pyramid of the population thus composed will have a growing need for an inflow of people in working age, both to support the pension system and to compensate for the lack of local labour in given sectors, especially assistance to the elderly, housework and agriculture. For these reasons, migration from sub-Saharan Africa would require better regulation, especially as demographic trends evolve slowly and are easily predictable. Therefore, policies in this area should be designed well in advance, in order to ensure well-planned responses at the right time.

+50%

migrants on total labour force in the agricultural sector in Greece

#med2018
migration from sub-Saharan Africa would require better regulation, especially as demographic trends evolve slowly and are easily predictable

3.3

The EU and sub-Saharan Africa: a new path to effective cooperation

Matteo Villa

Research Fellow, Italian Institute for International Political Studies (ISPI)

This year, irregular migration flows to the European Union have dropped by more than 95% since the height of the crisis in 2015, but the effects of high flows still reverberate in European politics. However, hectic efforts for more solidarity within Europe – first through an emergency relocation scheme for asylum seekers, then moving towards more permanent mechanisms – have not brought about any significant breakthrough.

This has given rise to attempts by European policymakers to "externalise" migration management to non-EU countries, which amounts to delegating border control measures, asking for stronger domestic efforts against migrant smuggling and trafficking, or increasing the return of undocumented migrants from Europe to their countries of origin.

Sub-Saharan African (SSA) countries have been on the receiving end of EU policies, having often been treated as rule takers. Despite some efforts to the contrary, the EU and its member states have paid little attention to domestic political, social, and economic developments in SSA countries, or to the effects of their own policies on those countries. No wonder, then, that cooperation from SSA countries has slowed to a trickle. For instance, the rate of return of undocumented migrants to SSA countries remains abysmally low, at less than 10% for the whole region and as low as 0% for some specific countries.

All this shows that there is an urgent need to take stock of current EU practices that link migration management and development efforts, and survey the options available to foster stronger EU-Africa relations.

MIGRATION AND DEVELOPMENT: A COMPLEX RELATIONSHIP

In the current policy cycle of externalisation attempts, which started in earnest in 2015, the EU has tried to link cooperation on migration from non-EU countries to development topics by focusing on "root causes". While the diagnosis of the problem is correct (long-term demographic, economic, and social forces do shape migration decisions), the proposed solution was soon shown to be based on a misconception. The idea was that, by helping low-income countries to develop economically, emigration would abate.

On the contrary, research shows that, on average, development in low-income countries fosters emigration. This process tends to continue at least until average GDP per capita at purchasing power parity reaches $5,000. Then, and only then, does migration start to decrease again, going back to the level of low-income countries only after average GDP per capita exceeds $10,000. Indeed, as shown in the "Migration and development" graph, in recent decades this so-called "migration hump" has actually become steeper, so that middle-income countries' average emigration rate has increased.

EU policymakers soon recognised that positing a straightforward relation between development and lower emigration is a misguided assumption at best. Migration assistance is a blunt tool for reshaping migration
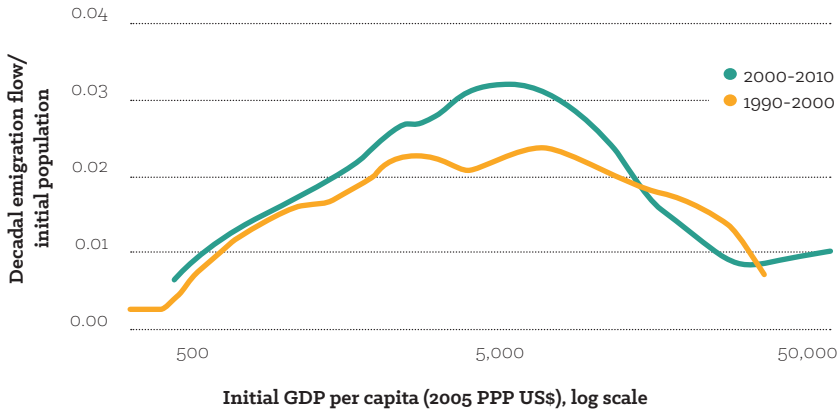
-95%

arrivals through the Mediterranean in 2018 compared to 2015

€4.1 billion

funds committed to the EU trust fund for Africa

Migration and development: an unexpected relationship

Data: Clemens (2014)

patterns. Faced with finding easy and rapid solutions to a complex, long-term problem, the EU and its member states turned to a straightforward shift of funds from development aid towards short-term migration control measures. These can range from awareness-raising campaigns against the risks of migrating irregularly in origin countries, to projects for the reintegration of returnees, to directly financing a SSA country's security apparatus in exchange for stricter border control measures.

The problem with these short-term strategies is twofold. First, they do nothing – or very little – to address the long-term trends that will shape future migration trends towards Europe. For example, even if policymakers acknowledged that not much could be done, policy responses to climate change show that there is a second alternative to "mitigation" strategies: adaptation. And yet, instead of choosing to adapt to higher migration flows, the EU's attempts still focus on putting a lid on the pressure cooker. Second, the double-dip recession that affected Europe over the last decade stretched the finances of the EU and its member states increasingly thin, so that the only option is trying to do more with the same amount of money.

The Migration Partnership Framework, launched by the EU in 2016, went precisely

in this direction. As it stands, the Partnership Framework faces several challenges, but one of the most widely emphasised is that it is based on "negative conditionality". This means that it is mostly based on the threat of cutting current development aid (or cooperation in other sectors) with non-EU countries, rather than on the promise of more resources or cooperation. This approach would be dangerous if it was not underwhelming. On the one hand, by making development aid partly conditional to cooperation on migration-related issues, this approach dilutes developmental goals, such as poverty reduction. On the other, even if the negative conditionality approach were useful, it would risk promising more than it can deliver. The "EU and Africa" graph charts cumulative migration flows towards the EU in 2016-2017, against total aid from the EU and its member states towards African countries (excluding the UK, which will be leaving in 2019). As shown, for a number of countries with high migration flows towards the EU, negative conditionality can achieve little. For instance, the impact of reducing official development aid on the GDP of Nigeria, Côte d'Ivoire, Sudan, or even the Gambia would be minor or negligible. Another small set of countries would be more affected by a reduction of EU aid, especially Mali and Niger (not a sending country, but a

$3 trillion

contribution to world richness by migrants (estimated by McKinsey Global Institute)

EU and Africa: the politics of conditionality

Irregular arrivals to EU (Jan 2016 – Oct 2017)

Legend:
- High arrivals, low EU leverage
- High arrivals, high EU leverage

% of EU27 official aid/target country's GDP
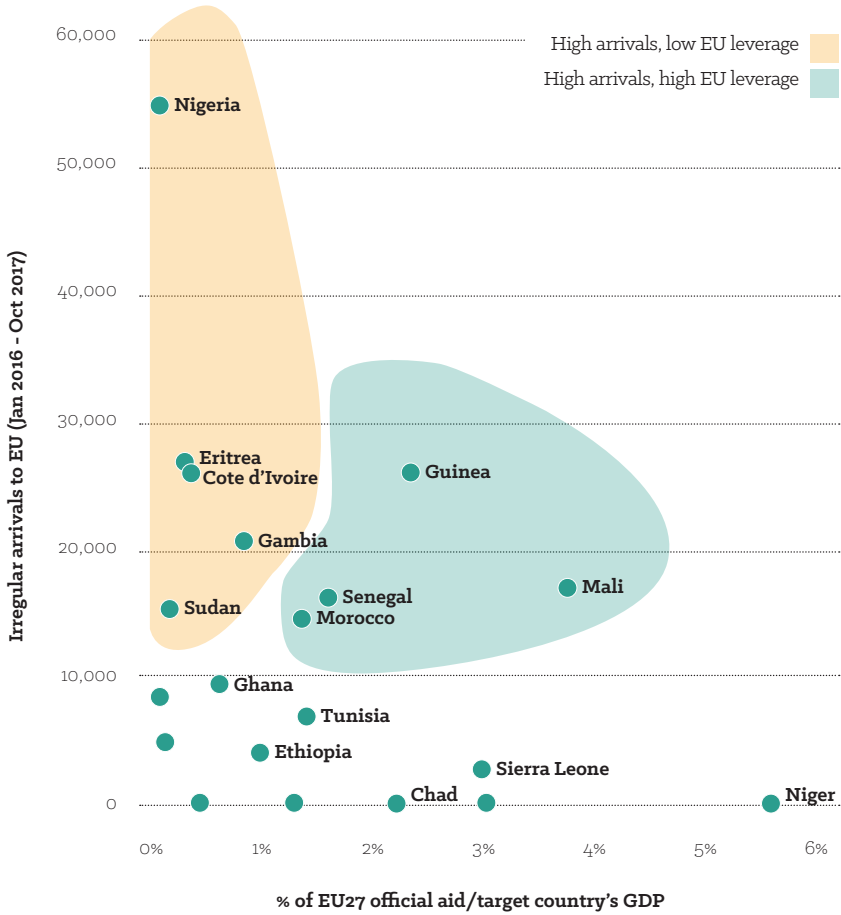
Data: author's elaboration on OECD data

crucial transit one).

FROM NEGATIVE TO POSITIVE CONDITIONALITY

In November 2017, the EU launched its so-called External Investment Plan (EIP). Drawing from the successful Investment Plan for Europe (also known as "Juncker Plan"), the EIP aims at mobilising almost €40 billion in private investment by 2020 through a contribution of €4.1 billion from the EU budget.

While doubts persist on the likelihood that such a fund would be able to crowd in private investment in Africa, this is a crucial step in the needed shift from negative to positive conditionality. In other words, the goal of the EIP is not to cut off SSA countries from

development aid if they do not cooperate in migration-related issues, but to add resources when they do. Thus, at least implicitly, the EIP recognises that EU-SSA cooperation on migration should not have negative effects on other policy areas, and especially not on SSA countries' prospects for economic development. However, the EIP does not go far enough, since it still aims at curbing migration flows to Europe instead of acknowledging that migration, if well managed, can turn from a challenge into an opportunity for origin, transit, and destination countries alike, as well as for migrants themselves.

The McKinsey Global Institute estimates that, thanks to migration, the world is $3 tril-

GDP per capita: still worlds apart

GDP per capita, in dollars:

	>100,000
	50,000-100,000
	30,000-50,000
	15,000-30,000
	< 15,000
	na
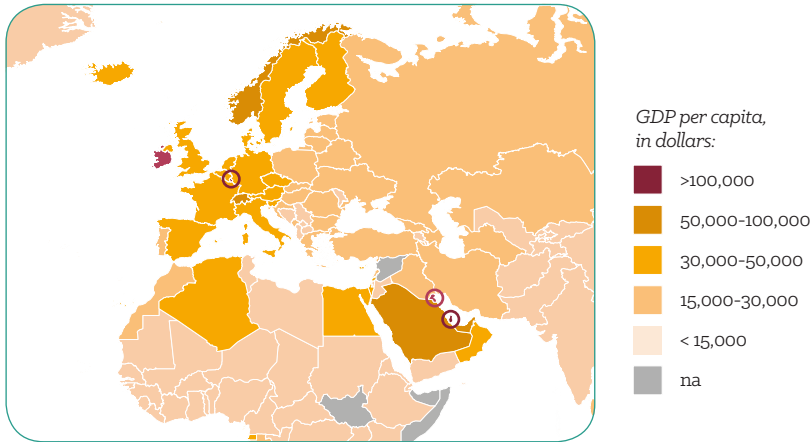
Data: World Bank

lion (or 4%) richer, given that, by crossing an international border, migrants become much more productive than if they had stayed home. For SSA countries, migrants are an important source of capital, as remittances amount to almost $40 billion, i.e. 3% of the region's GDP, and can reach almost 20% in countries such as the Gambia or Liberia.

However, migration also presents challenges that warrant specific action, especially in the case of irregular flows. For the EU as a destination region, irregular flows have mostly consisted of young, male, low-skilled workers, displacing part of the native, low-skilled workforce – a workforce that is already experiencing pressure due to production delocalisation and increasing job automation. For origin countries in SSA, migration can result in brain drain, as the persons willing to migrate all the way to Europe tend not to be the least educated, but those who have benefited (at least partly) from the domestic educational system. Furthermore, their skills can be lost due to the rough conditions of irregular movement, which may include several instances of traumatic experiences.

THE SENSIBLE WAY FORWARD:
MORE LEGAL PATHWAYS

There is a need to go back to Migration Partnerships, making them much more col-

laborative and bidirectional. Most importantly, the EU-SSA partnerships could be enhanced by linking an actual decline in irregular migration movements to Europe to an increase in legal migration quotas. The benefits of doing so would be many. Offering new legal pathways to Europe would proactively discourage illegal practices. It would also allow destination countries to undertake background checks and select the persons allowed to enter Europe. It would be possible to increase regional ownership by putting origin and transit countries in charge of receiving and managing requests for legal entry in the EU. This would also bolster the need for regional coordination, opening up the possibility for Northern African countries, that often have higher administrative and technical capacities, to support the efforts of origin and transit countries upstream. Finally, a sensible return policy may also be attached to these schemes, but always in exchange for an increase in legal quotas.

To conclude, the absence of effective, substantial legal pathways to Europe is the elephant in the room in the debate around EU policies to tackle irregular flows. Encouraging national EU governments to link the success of Migration Partnerships to a substantial increase in regular migration quotas could be the way out of the impasse.

#med2018
the absence of effective, substantial legal pathways to Europe is the elephant in the room in the debate around EU policies to tackle irregular flows

3.4

Reforming Dublin:
a priority for the EU

Luigi Achilli

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The European Council has not yet found a common agreement on the long-needed reform of the Dublin Regulation. The core of the reform was the introduction of relocation quotas for each EU country. Yet, member states have not managed to resolve their differences. This has led some EU leaders to conclude that there is no room for further discussion, and they have proposed instead to focus on the fight against irregular migration. This, however, is not a viable alternative. Any durable answer to the issue of irregular migration must address the reform of the asylum system. The first step for this to happen is a radical modification of the Dublin Regulation.

THE NEED FOR A SHARED RESPONSIBILITY

Since 1999, the EU has been working to create a Common European Asylum System (CEAS). In May 2015, the European Agenda on Migration was put forward to improve the CEAS. The reform of the Dublin Regulation constitutes the core of those efforts. The Regulation, originally established by the Dublin Convention in June 1990 and in force since September 1997, is the cornerstone of the EU asylum system, laying out the criteria to process applications for international protection. Under the current legislative framework, the first EU country that asylum seekers enter is responsible for examining their asylum claim. It must be noted, however, that this criterion dates back to a period when migratory pressure was negligible. Things changed with the outbreak of the so-called "migrant crisis" in 2015 when higher numbers of asylum seekers fled their homes and sought refuge in the EU. Most of those migrants entered Europe crossing the Mediterranean Sea and landed on the shores of Italy, Greece and, to a lesser extent, Malta and Spain. Under the current protocol, their asylum claims have to be processed in countries of first arrival. For this reason, frontline member states have repeatedly protested against the disproportionate responsibilities that Dublin imposes on their domestic asylum system and the implementation of Search and Rescues operations (SAR) in the Mediterranean Sea.

In truth, if the Dublin Regulation is unjust on paper, its implementation is not any fairer. Given more favourable labour-market conditions in central and northern Europe, many asylum seekers have opted to continue their journey to reach richer countries. Of course, a third member state has the right to ask the countries of first arrival to legally "take charge" of these cases. Yet, loopholes in the system have largely nullified the Dublin Regulation – for example, a migrant can lodge a refugee claim with a different EU member state if she or he has lived (even irregularly) in this country for at least 5 consecutive months ("tolerated illegal presence") before filing an asylum claim. As such, countries like Germany have received more asylum applications than frontline member states like Greece and Italy.

However, the regulation of international and external refugee flows in the EU zone should be a shared responsibility among member states. The proportion of migrants has indeed imposed too great a burden on the asylum system of frontline countries, which have expressed serious concerns over the disproportionate responsibilities

<30%
of originally pledged asylum seekers have been relocated by the EU programme

A SIMULATION OF THE REFORM OF DUBLIN

Difference between fair share of asylum seekers as in Dublin IV Regulation and actual share of first time asylum applicants in 2016 (in percentage)

Country	Value
Germany	39.7%
Greece	2.4%
Austria	1.1%
Hungary	0.8%
Bulgaria	0.5%
Cyprus	0.1%
Malta	0.1%
Luxembourg	-0.1%
Estonia	-0.2%
Slovenia	-0.3%
Latvia	-0.3%
Lithuania	-0.4%
Croatia	-0.5%
Slovakia	-1%
Finland	-1.2%
Sweden	-1.2%
Belgium	-1.8%
Czech Republic	-2%
Portugal	-2.1%
Romania	-2.8%
The Netherlands	-3.2%
Italy	-3.6%
Poland	-5.1%
Spain	-8.8%
France	-10.3%
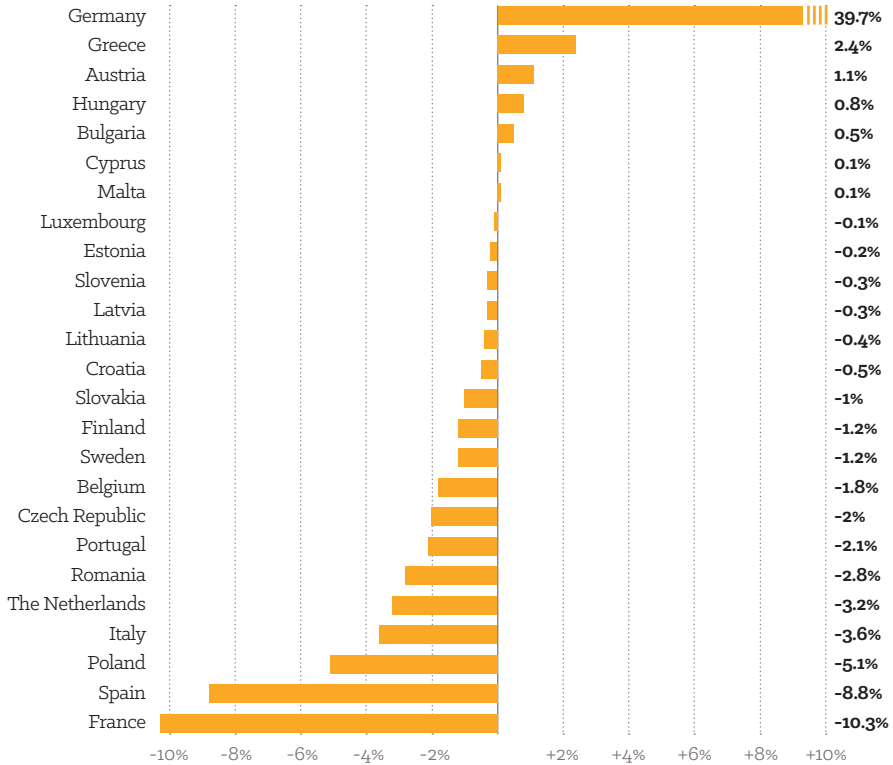
AN UNEVEN DISTRIBUTION

Pledges received under the new resettlement programme so far (as of August 2018)

Pledges made so far:
- >10,000
- 5,001 - 10,000
- 3,001 - 5,000
- 1,001-3,000
- 1 - 1,000
- 0
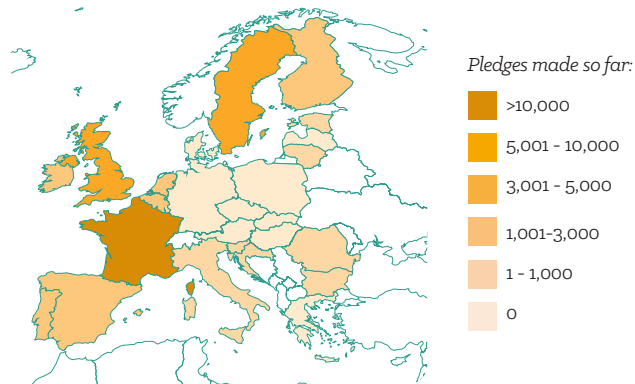
Data: ISMU Foundation, European Commission

0

migrants relocated to
Hungary and Poland

that the Dublin Regulation has imposed on their overstrained reception system. Following these grievances, in September 2015 the European Commission (EC) proposed a number of actions to address the unexpected rise in the number of migrants coming by sea. Temporary relocation schemes were adopted to alleviate the pressure faced by frontline countries. Although only a minority of an already negligible amount of asylum seekers was eventually relocated, the programme has not failed to generate considerable bitterness among some member states. In particular, the countries of the so-called Visegrad group – Czech Republic, Hungary, Poland and Slovakia – fiercely opposed the compulsory quotas and denounced these as a clear infringement of national sovereignty. In September 2017, the programme abruptly stopped with the relocation of less than 30% of what was originally pledged, amounting to only 2% of unauthorised arrivals to Italy and Greece over the past two years.

CHALLENGES AND CONSEQUENCES

The reform of the Dublin system was demanded by countries in southern Europe in order to adapt EU regulations to the changed circumstances. Although the regulations should clearly be a priority on the European agenda on migration, the road to a lasting and sustainable reform of the system has been fraught with obstacles.

To begin with, there are markedly diverging interests among member states. Frontline countries in southern Europe are more exposed to current migration trends and therefore would more immediately benefit from a joint European approach. Conversely, member states in northern Europe have less interest in a permanent distribution model of asylum responsibility, especially now that the "temporary" reintroduction of controls at internal borders is stemming the flow of migrants towards these countries. The second reason is that a populist and right-wing wind blowing over Europe in recent years has magnified a state-centric attitude already entrenched within member states. This has favoured a dystopic reading of actual migra-

tion flows towards EU. Fear-mongering and nationalist political leaders have contributed to fostering the belief that migration flows are massive and inherently corrosive of the national tissue, and that a state solution to the problem is preferable to a joint action. As matter of fact, the original divide between the friendlier approach of the western countries and the less welcoming attitude of eastern countries has resolved in favour of a more generalised hostility towards migrants across the board. This, however, coincides with a time when unauthorised arrivals to the EU have reduced considerably since their peak in 2015, returning to a "pre-crisis" level. To date, the Dublin system still functions under the same first-country-of-arrival rule. The incapacity to reform the Regulation is puzzling. With an overall unauthorised crossing of about 100,000 migrants annually, the number of migrants is unequivocally negligible compared to the EU's population of 500 million.

While the reform of the Dublin Regulation has been postponed, EU members have further pursued the tightening of border controls and the progressive externalisation of asylum responsibilities to third countries. These measures are so entrenched within policy and political discourse that Dublin has been knocked off the top priorities in the ongoing reform of the CEAS. The underlying logic is that there is no real need of a permanent distribution model of asylum responsibility if the number of asylum claims is absolutely negligible – hence the need to reinforce border controls and externalise the process of asylum applications. In this sense, the EU's "new" ambition to pursue the outsourcing and externalisation of asylum application processes reflects a sort of wishful thinking that has become the rule in countries like Australia and the United States: the "offshoring" model. And yet, the apparent success of the EU-Turkey Agreement and the Hotspot approach seem to have persuaded the EU that it might just be on the right path. The current transfer of funds to the government of Libya and the proposal for the creation of regional disembarkation

100,000

the annual average number of unauthorised migrants crossing to Europe

platforms for migrants outside the EU point precisely in this direction.

Moving backward to go forward

A set of arguments is commonly put forward in favour of turning the offshoring model into the cornerstone for the CEAS. Externalisation measures would supposedly ensure the security of the receiving state and the safety of the migrant by reducing migratory pressures, ending migrants' perilous crossings of the Mediterranean, and creating a more orderly system for migration. However, critics believe that these measures would infringe upon the international and human rights standards set out for the protection of migrants. And despite EU leaders being adamant that these measures will be implemented in full respect of international law, there are indeed ample margins for scepticism. Numerous studies have demonstrated how the offshore model generally increases migrants' reliance on professional facilitators. Even in the case of successfully preventing migrants from leaving transit countries, one is left wondering whether this outcome would ultimately benefit them or aggravate their plight. A plethora of studies and trusted sources have reported the countless abuses and violence perpetrated by local authorities in these countries.

There might not be a silver bullet to address both the reality of migratory pressures in Europe and satisfy populist demands; yet, if truth to be told, more human and functional proposals to reform the Regulations are at arm's reach. In November 2017, for example, the European Parliament approved a proposal for a sensible reform of the Dublin Treaty. Among other things, the proposal establishes that applicants with family members or other connections (e.g.

prior residence, etc.) to a particular State would be relocated to these countries. Those who do not have genuine connections with a particular country will be able to "choose between the four member states which have received the lowest amount of applicants". The fair relocation share of each member state is calculated based on GDP and population, so that "larger and wealthier countries will have a larger share than smaller and less wealthy countries." The allocation system would redistribute applications in a manner that neither encourages migration towards the richer countries nor disregards migrants' choice of the destination country.

This and other sound and even bolder proposals – such as the recent suggestion by CEPS for the creation of "an intra-EU institutional solidarity framework covering both asylum and SAR operations" – have been ignored under the current political climate. However, we should be weary not to be lured by a preposterous *realpolitik* that trades off what is best for Europe for what is politically convenient and palatable in the short term. Studies have warned that the decrease in the number of asylum applications might be more short-lived than expected, but the violation of international rules on asylum is certainly creating an enduring memory of the EU's incapacity to embrace the very principles upon which it is founded. The Dublin Agreement is the acid test of Europe's health. Failure to reform the Regulation is an obvious indication of the disaggregating and nationalistic pulsion running across the EU. But one thing is clear: it is not migration that is putting at risk the very future of the European Union, it is rather the incapacity to develop a common political answer to migration based on solidarity principles and balanced responsibilities.

CIVIL SOCIETY AND CULTURE

The riddle of political Islam

4.1

Jocelyne Cesari

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CIVIL SOCIETY

At least since the Islamic Revolution in Iran, there has been no shortage of predictions on the decline of political Islam. The ruthless repression of the Syrian regime against its opponents since 2012, the military crush against the short-lived Muslim Brotherhood government in Egypt since 2013 and the defeat of the Islamic State in 2017 are just a few of the most recent events that appear to justify the never-ending predictions of the failure of political Islam.

If we limit political Islam to Islamic parties and contrast them to secular ones, then indeed, political Islam does not seem capable of efficient and distinctive governance, except maybe in the case of Iran. When in power, as illustrated by Ennahda since the Jasmine revolution, these parties tend to limit their religious agendas to identity politics by expressing the Islamic dimension of the political community without steadily calling for an Islamic state and they do not engage in major distinctive economic or social transformations in the name of Islam.

But if apprehended as a set of multiform and contradictory political cultures, then political Islam is far from dissolving. In fact, it is a foundational element of modern political identities framed by the nation-state. The distinction between political Islam as culture and political Islam as ideology can help solve the riddle.[1]

Between culture and ideology

Religion as culture refers to expectations shared by individuals about the religious dimension of their life and community. To embrace a religious vision is to absorb a set of taken-for-granted assumptions about one's duty to God and to society. The political influence of such a standpoint is effective without the active awareness of those experiencing it and does systematically translate into political parties or competition for power. Additionally, this religious worldview is continuously transformed by major historical events (wars, international policies, etc.). More specifically, the modern political cosmology brought by the nation-state has deeply altered the status of Islam vis-à-vis political power. The nation-state has created a co-terminality between belonging to Islam, national territory and political power in ways unknown in pre-modern Muslim empires. It creates a connection between Islam and citizenship by establishing Islam as the parameter of public morality for Muslims and non-Muslims, believers and non-believers alike. Take, for example, the current absurd use in Egyptian political rhetoric of the term "Islamic shari'a" by all protagonists from secular to Islamic, usually to discuss that part of state law that specifically deals with Islam. If the shari'a has to be qualified as Islamic, it means that it is eminently a secular state law or the law of the land. Political Islam as culture is the bedrock on which political actors can ideologically compete through partisan divisions, including Islamic parties, which explains why these parties may lose (as was the case in Indonesia, for example), without endangering political Islam as culture.

The ingrained conviction that the nation and Islam are intertwined and that politics has to follow some rules inspired by Islam, are shared by a majority of citizens across the secular/religious divide. A study published by the Pew Research Center in 2013 reveals

74%
of Egyptians agree that shari'a should be made the official law

POLITICAL ISLAM IN POWER
Election results of the major political Islamic-oriented parties in the MENA region

MOROCCO

Justice and Development Party - PJD

Last parliamentary elections
2016

Votes gained
27.9% (first party)

Aftermath
Formed a coalition government

TUNISIA

Ennahda

Last parliamentary elections
2014

Votes gained
27.8% (second party)

Aftermath
Formed a coalition government

EGYPT

Freedom and Justice Party

Last parliamentary elections
2011-12

Votes gained
36.6% (first party)

Aftermath
Formed a government after winning the Presidential elections; banned since 2013

TURKEY
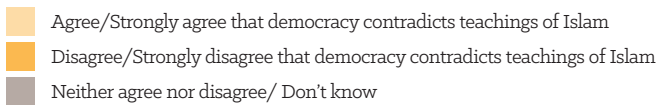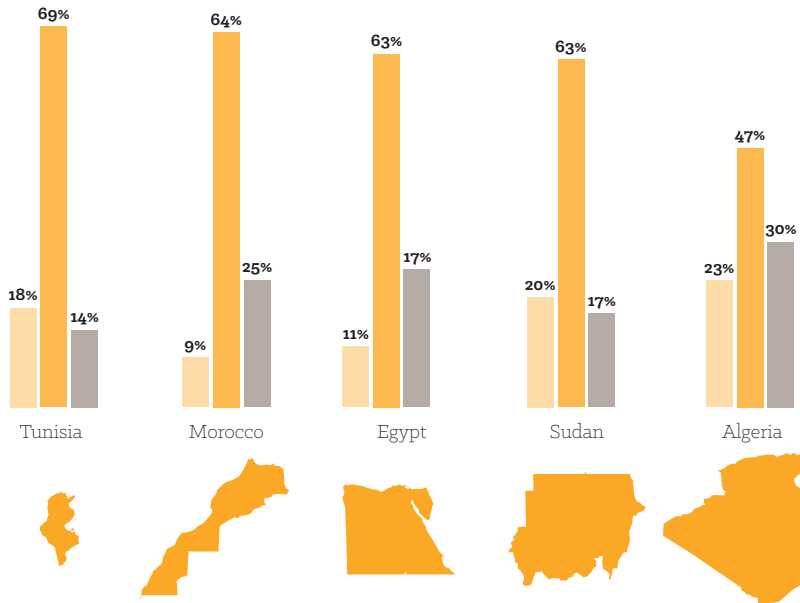
Justice and Development Party - AKP

Last parliamentary elections
2018

Votes gained
42.6% (first party)

Aftermath
Formed a government

Answers to the question: "Does democracy contradict the teachings of Islam?" (2016)

Tunisia: 18%, 69%, 14%
Morocco: 9%, 64%, 25%
Egypt: 11%, 63%, 17%
Sudan: 20%, 63%, 17%
Algeria: 23%, 47%, 30%

- Agree/Strongly agree that democracy contradicts teachings of Islam
- Disagree/Strongly disagree that democracy contradicts teachings of Islam
- Neither agree nor disagree/ Don't know

— Data: Afrobarometer —

28%
votes gained by
Ennahda in Tunisia
in the local elections
of May 2018

that 74% of Egyptians agree that shari'a should be made the official law, with 74% of Muslims who think that it should apply to both Muslims and non-Muslims (while in historical Caliphates, shari'a was applied only to Muslims).[2] While most of respondents accept Islamic prescriptions in civil law, they do not agree about the expansion of shari'a to other domains like criminal law. This disagreement is revelatory of the gap between Islam as political culture and Islam as ideology: Islam as culture is a moral feature of political life, while Islam as an ideology results in political tensions and competition among different groups who want to either maintain the status quo, remove Islamic legal prescriptions or expand them. For example, Ennahada in Tunisia has been very keen to remove shari'a from the new constitution and has renounced legal sanctions based on Islamic law, like blasphemy or even women inher-

itance. On the other hand, Islamic groups on the right of Ennahda are opposing these changes. All political actors however, from secular to Islamists, agree that Islam is a key feature of their national community and the state, hence revealing the Islamic dimension of their political culture. Political Islam is also a resource for the state to shape and control the citizenry. In *What is Political Islam?* I have shown that hegemonic Islam across Muslim countries combines shared values about the public role of Islam, and state policies about right and wrong in religious matters. Most states, to varying degrees, have utilised Islamic references to forge the public morality of the national community, and to define who is a good and who is a bad citizen.

MUSLIM DEMOCRACY: AN OXYMORON?

The response to this question is not a straight yes or no. First and foremost, the

combination of any religious prescriptions with secular principles of democracy poses in and of itself a challenge to individual rights. Religious prescriptions translate into different duties according to the gender and age of the believer. Even in Western secular democracies, some of these religious prescriptions on abortion, contraception, or sexuality can for some citizens conflict with the indiscriminate tenets of secular law. In this respect, disputes over the role of Islamic parties and their legitimacy across countries stem from disagreements on how much of these principles can and should be implemented in secular laws, and whether these rules should be applied to all citizens, believers or not. In these conditions, the question is no longer about the possibility of a Muslim democracy, but rather about which dimension of political Islam influences which domain of democracy. Most scholars agree that there is no longer any clear-cut distinction between democracy and non-democracy and that most regimes today fall in between these two opposites and can be described as hybrid. Being hybrid means that they lack one or more of the following features that define democracy:

• Free and fair elections;
• Separation of powers;
• Rule of law and independence of the judiciary;
• Civil liberties.

Since most Islamic movements operate within authoritarian regimes that do not respect most of these features, assessing the influence of Islamic groups or parties on each of these domains is not an easy task. Nevertheless, political experiences in Egypt, Morocco, and Turkey show that most of the Islamic movements have come to terms with elections, and operate within the framework of the nation-state. Rather, it is recognition of the separation of powers and judicial independence that are more ambiguous. This is attested by the praetorian role of religious au-

thority in the Islamic Republic of Iran, along with the turn towards authoritarianism observed in the last five years in Turkey under the AKP rule. The exception is Tunisia since the Jasmine Revolution, where the majority Islamic party has complied with the four major features of democratisation mentioned above.

In the case of Muslim democracies like Senegal, where elections and separation of powers do exist, the most controversial aspects concern the limits imposed on freedom of speech and sexual orientations by Islamic prescriptions. Although individual rights are acknowledged (e.g. vote, freedom of the press), they are limited when it comes to blasphemy, sexual orientations, or gender relations, because they are seen as an impingement on the morality of the political community.

Not all Muslim countries are characterised by the same level of tension between individuals and community, nor do they address it the same way. Nonetheless, it is evident – from the state of women's rights, freedom of speech, and freedom of sexual orientation – that the individual dimension remains limited by the identity of the religious community, and that the boundaries of this religious community overlap with the boundaries of the national and/or political community.

Could Islamic political cultures evolve towards more inclusive forms of civil religion in the future? Judging by existing surveys, a significant majority of Muslim citizens would think so. More generally, it seems that the more independent the religious sphere is from the state, the higher the probability of a more inclusive, pluralist approach to civil society. Nonetheless, the current regional and international contexts, along with high concerns about security, tend to push all states and even citizens in the opposite direction: towards greater religious control and regulation.

16 years
the AKP has been ruling in Turkey

4.2

Challenging cohesion: ethnic-religious militias in Syria and Iraq

Georges Fahmi
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CIVIL SOCIETY

The militarisation of the Arab uprisings, together with the rise of the self-proclaimed Islamic State (IS) has led to the militiafication of ethnic and religious identities in the Middle East. Christian, Sunni, Shia, Druze, and Kurdish communities in Iraq and Syria have established their own militias to defend their areas in the absence of efficient state security institutions. These militias have become more capable of maintaining security, and have played a key role in the war against IS. One can safely say that the defeat of IS would not have been possible without the involvement of Shia and Kurdish militias. However, this process of militiafication has two negative consequences for the coexistence of the different religious and ethnic communities in Iraq and Syria. First, it has reinforced the creation of areas of limited statehood where state institutions do not monopolise the use of force. Second, it has led to low levels of trust between the different religious and ethnic communities.

THE MILITIAFICATION OF RELIGIOUS AND ETHNIC IDENTITIES

Religious and ethnic communities in the Middle East have been going through a process of militiafication over the past few years. This process has not always been against the will of political regimes. In some cases it was even encouraged by these regimes, as is the case in the predominantly Shia Popular Mobilisation Units (PMU) in Iraq, or in Arabic, the *al-Hashd al-Shaabi*. The PMU was established prior to the fall of Mosul during the then Prime Minister Nuri al-Maliki's last months in power and with his full support. However, the PMU only won momentum after top Shia religious scholar Ayatollah Ali al-Sistani called on Iraqis to volunteer to fight the Islamic State after the fall of Mosul. The PMU includes different militias enrolling over 60,000 fighters. These militias do not necessarily share the same political agenda. Rather, they can be divided into three groups: the pro-Iran militias; those who follow Ayatollah al-Sistani; and those following the Iraqi political figure Muqtada al-Sadr.[1] Although it is Shia-dominated, the PMU also includes Sunni and Christian units.

Other militias were established independently from state authorities, as is the case with the Kurdish People's Protection Units (YPG) in Syria. The YPG was formed in 2004, but it expanded rapidly in the context of the Syrian uprising after March 2011 to protect the Kurdish area. As the numbers of women joining the YPG increased, YPG female fighters decided to set up the all-female Women's Protection Units (YPJ). In 2015, the YPG took part in establishing the Syrian Democratic Forces (SDF) as a Kurdish-led umbrella group to incorporate other minorities into the war against IS. These forces played a key role in defeating the Islamic State and liberating the city of Raqqa in the summer of 2017.

In addition to these two main militia groups, the Shia and the Kurdish, other smaller communities established their own militias as well, but those had to be sponsored by either the regimes or the Kurdish author-

+60,000
fighters enrolled by the Shia Popular Mobilisation Units (PMU) in Iraq

THE "SECTARIANISATION" OF IRAQ
Distribution of ethnic groups in Iraq

- Arabic-speaking Shiites
- Arabic-speaking Sunnis
- Arabic-mixed areas
- Kurds
- Turkomans
- Other

TURKEY

Mosul

SYRIA

IRAN

IRAQ

Baghdad

SAUDI ARABIA

KUWAIT
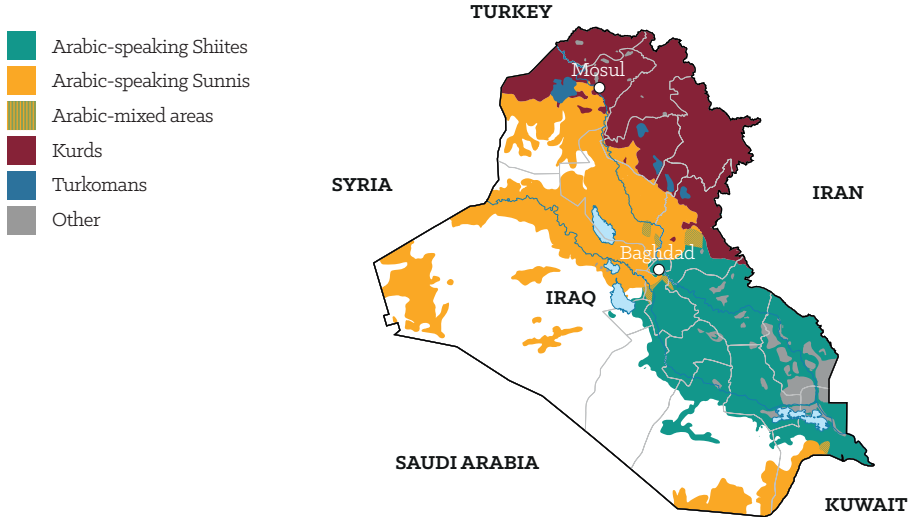
Data: Dr. Michael Izady, Columbia University

THE KURDS: TRANSNATIONAL LINKS
Major Kurdish political parties and militias

TURKEY

HDP
Peoples' Democratic Party

PKK
Kurdistan Workers' Party

SYRIA

YPG militias

PYD
Democratic Union Party

KDP
Kurdistan Democratic Party

PJAK
Party for a free life in Kurdistan

IRAQ

IRAN

Peshmerga militias

Gorran
Movement for change

PUK
Patriotic Union of Kurdistan

- Legal political party
- Insurgency
- Alliances
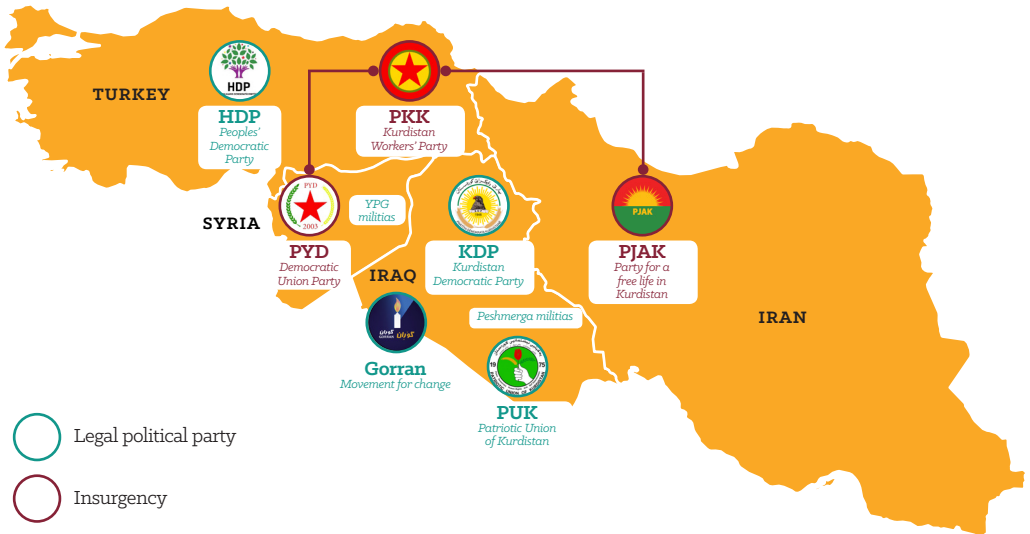
30–40
million of Kurds
live in the
Middle East

ities, as was the case with the Christians in Syria and Iraq. In Syria, the Assad regime encouraged Christians to take up arms in the frame of the National Defence Units (pro-regime militias under the control of the Syrian army), which occurred with militias based in the region of Wadi-el-Nassara near Homs, in Al-Suqaylabiyah, and in Mahardah near the city of Hamah. Assyrian Christians in northern Syria also established their own Christian militia under the name Sutoro (meaning "security" in the Syriac language). While the Sutoro first tried to avoid taking a political side, it could not resist political pressure from the regime and the Kurdish Democratic Union Party (PYD). It was consequently divided into two factions, one supporting the regime and the other supporting the PYD. In Iraq too, the IS invasion of the Nineveh plain has led Christians to form their own militias to fight IS. The Kurdish authorities supported the formation of Christian militias, as was the case with the Nineveh Plain Force. Instead, other Christian forces, like the Babylon Brigade,[2] were formed under the command of the PMU.

Consequences on the state and society

This process of militiafication has had two interrelated consequences. On the one hand, it has further weakened the degree of statehood because these militias challenge the state monopoly over the use of violence. On the other hand, the violations committed by some of these militias have diminished social trust across different religious and ethnic communities in Syria and Iraq.

IS's quick victory in Syria and Iraq sent an alarming signal on the level of weakness and corruption of state institutions, the security forces in particular. Paradoxically, IS's defeat confirmed the same message. Defeating the Islamic State was only possible thanks to international support and the presence of local militias, namely Kurdish and Shia, while state strength in Iraq or Syria did not play any major role. The state's inability to enforce security and order, and to delegate this authority to local militias, represents a

serious concern for all religious and ethnic communities, in particular those who have to rely on other ethnic or religious groups for protection.
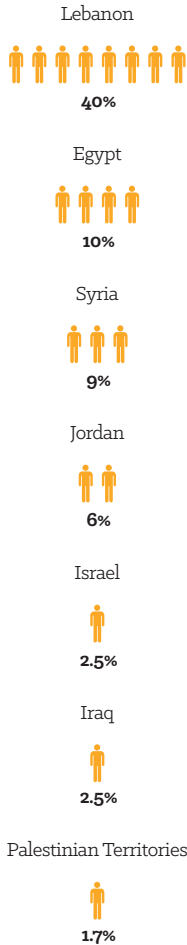
The presence of these militias, regardless of their religious or ethnic background, represents a threat to other religious and ethnic communities living under their rule. In Iraq for example, religious militias, both Sunni and Shia alike, have often tried to impose their rules in the territories that they control. Some of these militias have targeted Christians, pushing them to leave their homes, which has been the case in Mosul under the rule of IS. In addition, some Shia militias in Baghdad have occupied Christian properties and used their networks within state institutions to manipulate ownership contracts.[3] Sunnis have also accused Shia militias of committing atrocities against them in their operation against IS, which occurred during the liberation of the city of Fallujah in 2016.[4]

The atrocities committed by ethnic or religious militias in the absence of state institutions undermined social trust with the whole community that the accused militia claim to represent. For example, the crimes committed by IS against the Christians in Mosul have led to a lack of trust between Christians and all of the Sunni community in Mosul. In a conversation with an Iraqi priest, he stated that Christians do not feel safe living in Sunni areas anymore after their experience under the rule of the Islamic State.[5] The relation between Sunni and Shia communities has also deteriorated heavily over the past decade, in particular with Nuri Maliki's policies in his second mandate to offer support for Shia militias. Even the Kurdish-Christian relations in Syria have witnessed increasing tensions as Christian organisations accuse the Kurdish forces of human rights violations, expropriation of private property, illegal military conscription, and interference in church school curricula.[6]

The way forward

The militiafication process of religious and ethnic communities and the consequences it has produced represent a main challenge to

MED

Christians as % of total population

Lebanon

👤👤👤👤👤👤👤👤
40%

Egypt

👤👤👤👤
10%

Syria

👤👤👤
9%

Jordan

👤👤
6%

Israel

👤
2.5%

Iraq

👤
2.5%

Palestinian Territories

👤
1.7%

Data: CIA World Factbook

the future of religious and ethnic diversity in the region. Even though these militias have been efficient in the fight against IS, ensuring a better future for religious and ethnic diversity in the region requires limiting its presence in favour of reforming state institutions and restoring trust among the different religious and ethnic communities.

Reforming state institutions should aim at rendering these institutions efficient and democratic, and guaranteeing the same rights for all religious and ethnic communities. Within this framework, several recommendations can be made: state institutions and particularly security forces need to be reformed to increase efficiency and lower corruption; a democratic and transparent decision-making process should be consolidated; and all forms of religious discrimination should be terminated. Some religious figures are aware of the need to continue attempts at reforming state institutions. Patriarch Louis Sako, the head of the Chaldean Church in Iraq released a letter in 2015 against the establishment of Assyrian militias in Iraq and Syria. He wrote that one must not "think that the solution depends on creating isolated armed factions that are fighting for our rights" insisting that the aim should be "to build [. . .] a democratic civil society, able to manage diversity, to respect the law, to protect the rights and dignity of every citizen, regardless of their ethnicity, religion or the size of their community in the overall population".[7]

In parallel to these measures at the state level, there is a need to work at the societal level to restore trust among the different religious and ethnic communities. This step is indispensable to ensure durable and stable peace. The armed conflict in Syria and Iraq over the past years has left deep marks on the relations between the different religious and ethnic communities, including the Sunni-Shia, Sunni-Christian and the Kurdish-Christian. Legitimate voices from within these different communities can play an important role in this societal reconciliation process. For example, one Syrian bishop offers a positive experience from his region, where he established centres for peace and reconciliation mainly targeting children from diverse religious and ethnic backgrounds. International actors can also play a positive role in these efforts by supporting developmental projects that serve all citizens regardless of their religious and ethnic backgrounds. Such an approach would help to bridge the gap between the different religious and ethnic communities, and to decrease the level of religious and ethnic polarisation, particularly in the areas that experienced armed confrontations, such as Aleppo in Syria or Mosul in Iraq.

9%
of Syrian population
is Christian

#med2018
legitimate voices from within the different religious and ethnic communities can play an important role in the societal reconciliation process.

4.3

Arab youth's furtive dreams

Intissar Fakir

Fellow and Editor in Chief of Sada, Middle East Program, Carnegie Endowment for International Peace

CIVIL SOCIETY

The Middle East and North Africa (MENA) have the second youngest population in the world. Of the entire population, 60% is under 30. MENA populations face grim political realities that range from war displacement, authoritarianism, and instability to economic and political stagnation, glacial-paced development, and even rare prosperity. Youth have reacted to their challenging circumstances in diverse ways. Some are hopeful, some are in despair, some are adrift, and others are holding on to a small hope of deliverance through some sort of miracle. There are rare examples of smashing success – which are not usually due entirely to chance or entirely to hard work. There are those who still hold on the desire to change their communities and those focused solely on eking out a living. The spectrum of youth's hopes and aspirations is as broad as befits a diverse region, but specific cases do not always reflect the state of each country.

THE HURDLES TO DEVELOPMENT

There is no shortage of challenges for young people. Of the region's young population, 30% consider unemployment their largest challenge.[1] Across the region, the unemployment rate is at 10.6% and still higher among youth, and it varies been urban and rural areas. For many, the informal economy is the only option, as governments are unable to address unemployment. Making the situation more difficult, some governments are trying to cut back on the size of their public sectors while failing to give private enterprise the regulatory environment and resources to grow. Informal employment is particularly predominant where economies are weak,

such as in disenfranchised peripheral areas, borderlands, or conflict-ridden countries. In some areas, smuggling and illegal trade abound and offer greater opportunities, but they contribute to a risky way of living.

Even among relatively stable and peaceful MENA countries, people face high rates of poverty and illiteracy, food shortages, and a lack of access to education, drinking water, and healthcare. Corruption and cronyism are rife. Public education systems fail to provide paths towards upward mobility. For some, education ends at an early age as they are left either to work in the informal sector from an early age or to hustle their way into temporary employment that can barely take them from day to day—potentially leading to criminality and even extremism.

In aggregate, youth are angry that their governments fail to represent them, fail to serve them, and fail to offer them options for the future. Saudi Arabian youth appear sanguine about Crown Prince Mohammed bin Salman's reform drive and vision for the future. A recent poll of Arab youth indicated 89% of GCC youth support his anti-corruption drive.[2] Despite the egregious human rights violations associated with it, including unlawful arrests and arbitrary sentences and rulings, young people view it as the first acknowledgement that the old Saudi model is unsustainable and the first attempt to address it in earnest. This may be one of the few examples of a country explicitly confronting challenges, but at the same time it highlights how low the standard is if such an uneven and authoritarian campaign generates this degree of enthusiasm. Mohammed Bin Salman's Saudi Vision 2030 is likewise the sub-

60%
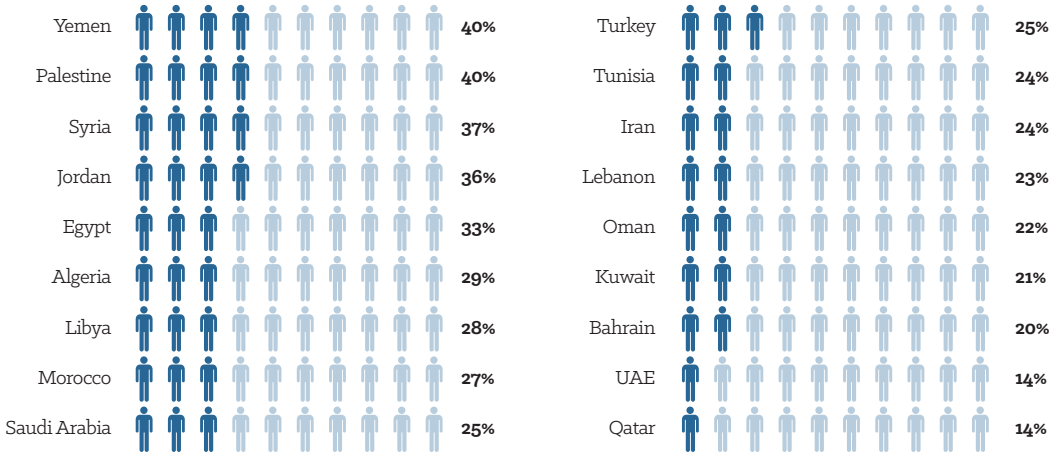of population in the MENA region is under 30

63%
of entrepreneurs in the Arab world are 35 or younger

THE YOUTH TO COME
Population ages 0-14 (% of total, 2017)

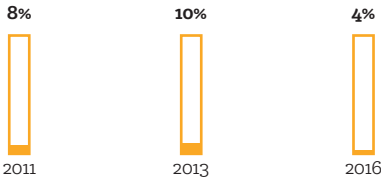|			
Yemen	40%	Turkey	25%
Palestine	40%	Tunisia	24%
Syria	37%	Iran	24%
Jordan	36%	Lebanon	23%
Egypt	33%	Oman	22%
Algeria	29%	Kuwait	21%
Libya	28%	Bahrain	20%
Morocco	27%	UAE	14%
Saudi Arabia	25%	Qatar	14%

Data: World Bank

DISENGAGED FROM POLITICS
Percentage of Arab youth (18-34 years) that…*

*countries covered by survey: Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Palestine, Saudi Arabia, Tunisia, Yemen.

…is a member of a political party

8%	10%	4%
2011	2013	2016

…voted in last elections

16%	19%	11%
2011	2013	2016
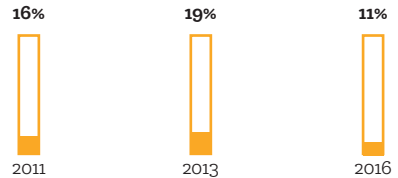
…attended campaign rallies

16%	19%	11%
2011	2013	2016
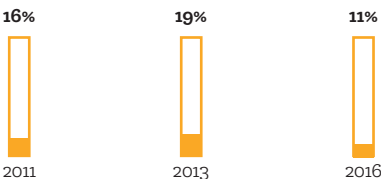
…participated in protest, march or sit-in

16%	23%	16%
2011	2013	2016
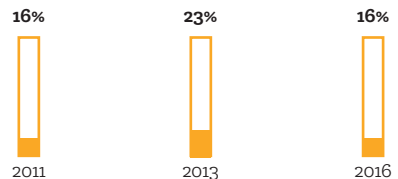
Data: Arab Barometer

Youth unemployment (% of labour force ages 15-24) in the world regions (2017)
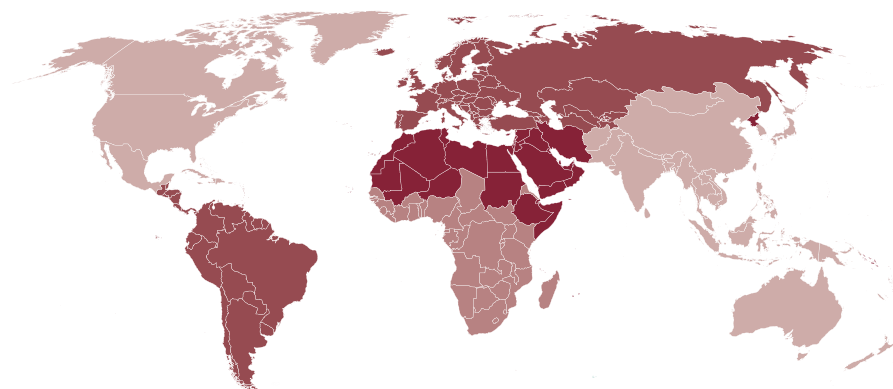
Middle East and North Africa	27%		South Asia	10.4%
Europe and Central Asia	18.3%		East Asia and Pacific	10.2%
Latin America and Caribbean	18.1%		North America	9.4%
Sub-Saharan Africa	13.9%			

Data: World Bank

ject of hope – regardless of whether its plans are feasible or realistic. But in places like Egypt, Jordan, Morocco, and Algeria, young people see governments struggling to sustain their grip on power through carrots and sticks – mostly sticks – often adding to their difficult political and economic circumstances. Yet a surprising diversity of hope and aspirations exists against this backdrop.

STORIES OF FAILURE AND SUCCESS

Youth reactions to their plights range from violent, to tragic, to pragmatic, to hopeful, to even triumphant. There are those among the region's youth who have resigned themselves to the horrors of their circumstances and been numbed into inaction, waiting, or desperation. A manifestation of this despair is the number of young people leaving or wishing to leave, risking a perilous journey across dangerous seas and ungoverned lands to reach an outside world that does not want them. In 2015, Egypt had the largest percentage of people living abroad, followed by Morocco, Somalia and Algeria.[3] A recent poll indicated that 46% of North Africans under

30 want to permanently leave for another country.[4] Others went the way of violent extremism as thousands of young people from North Africa poured into the Syrian, Libyan, and Iraqi conflicts to join the ranks of terrorist organizations. With little to aspire to, these individuals went on a quest to find a stronger identity with extremist organizations that promise to remake a broken Islamic world.

On the other end of the spectrum, there are young people who have set out to achieve impressive feats of innovation, hard work, and pioneering endeavours. To be sure, personal circumstances and family connections play a role or are even the basis of this success, but these young people's triumphs are their own. Many young people across the Middle East and North Africa emerged as leaders of successful start-ups,[5] as political pioneers, star athletes,[6] successful artists, and influential intellectual figures. There are a number of uplifting stories of young people who have been able to achieve tremendous goals despite the region's restrictive environment. Some have been at the forefront of financial and social entrepreneurship, despite a regulatory envi-

46%
of North Africans under 30 want to permanently leave for another country

ronment not conducive to business. By some estimates, 63% of entrepreneurs in the Arab world are 35 or younger.

In between these two poles, others hold on to a plea for pragmatism; they are wishing for and demanding better governance from their incompetent authoritarian governments, even if that means setting aside loftier hopes. "I want to go to school and get educated; go to a hospital and get treated; graduate and get a job." These were the aspirations of a young Moroccan. This is the group of youth from which hundreds of thousands go out to protest seeking progress on the most practical of reasons: to build schools and hospitals in underserved areas, to pressure the state into timely garbage collection, to stem the increase of subsidies. The Rif protests in Morocco, the Kamour protests in Tunisia,[7] and the *YouStink* movement in Lebanon are just a few examples from the number of protest movements and boycotts we have seen across the region over the past few years in Morocco, Tunisia, Lebanon, and Jordan.

Other young people have not been able to set their loftier hopes aside. These are the young people who take to the streets to demand reform, justice, and even democracy, an obsolete notion in today's Middle East and North Africa. In the aftermath of changes brought on by protests in 2011, Tunisians became active in civil society hoping to own a part of their country's revolution, whether by holding their leaders accountable, helping underserved communities, or drawing attention to important issues. Many young people in the Middle East who did not see a future for themselves in politics left it for civil society, judging that is where they are able to make some impact. Tunisian youth came out in droves for weeks on end in the *Manich Msamah* movement against the financial reconciliation law. Women in Saudi Arabia came out to demand the right the drive. Regardless of the outcome, young people showed up, driven by a desire to change their world, even in small incremental ways.

Betting on civic engagement

These differences must be seen together to provide a clear sense of where the region's youth are and the options before them. The backdrop against which the gamut of aspirations and hopes — or lack thereof — is borne out is constantly changing. These changes are revealing the contours of a predominant trend of action. To be sure, there are millions of Arab youth who feel rudderless and adrift, yet more are eager to be engaged. Whatever the driver, which ranges from self-interest and pragmatism to altruism and grand visions for the future, the sense of civic engagement has grown stronger across the region among not just the dreamers but also the pragmatists. All of this is merging into a sort of collective action, hints of which we have seen over the past few years and will likely continue to see. These are young people trying to get one step ahead of their circumstances — a response that only such adversity can generate.

4.4

Restoring children's future in conflict areas

Silvia Gison, International Humanitarian Policy and Advocacy Assistant, Save the Children
Noemi Pazienti, Migration & Humanitarian International Policy and Advocacy Senior Advisor, Save the Children

CIVIL SOCIETY

There are approximately 250 million children living in countries affected by violent conflicts, causing an estimated 34 million children displaced.[1] In the Middle East, 2 out of 5 children are living in conflict – about 42 million in all.[2] The impact of the violence they face today will be a heavy burden for a whole generation of children and young people tomorrow.[3] These children have seen their homes, schools and communities systematically destroyed or uprooted. Many of them have been injured or have witnessed their friends, family or loved ones being killed.[4] Due to prolonged exposure to violence, fear and uncertainty, many children may develop the most dangerous of stress responses: "toxic stress",[5] which has a catastrophic impact on the development of their brain and also increases the risks of physical health problems, such as diabetes and heart disorders. After such experiences, children and their families have to deal with potentially permanent scars in their minds and wellbeing, affecting their own future and that of future generations. The risk of a broken generation in the Middle East, lost to trauma and extreme stress, has never been greater.

2 out of 5
children in the MENA region live in conflict areas

Syria

In Syria, after 7 years of conflict there are still 5.3 million[7] children in need: they have witnessed the killing of parents, friends, and loved ones, the destruction of their schools, houses and hospitals, the lack of food, medicine and vital aid, unimaginable violence and violations of international laws. In 2017 alone, the number of children killed was the highest recorded so far – 50% more than in 2016[8] – accompanied by the highest number of serious violations perpetrated against children since the beginning of the conflict.[9] The daily exposure to violence and the intensity thereof are forcing millions of children to cope with staggering levels of distress, likely leading to a rise in long-term mental health disorders among Syrian children. Psychosocial distress remains a major issue of concern for boys, girls and caregivers alike. The main sources of anxiety and stress include fear of war-related noises, fear of checkpoints, a pervasive sense of insecurity, parental stress and family violence as well as uncertainty about the future, lack of personal agency and diminished sense of self.[10] The longer the war continues, the greater the long-term impact on children will be. Unless children's "invisible wounds" are treated in time, their psychological impact will have dramatic consequences on the future of the country after the conflict ends.

Iraq

As the Islamic State (IS) began its rapid advance in Iraq in 2014, millions of children witnessed a massive escalation of violence across much of the country.[11] About 23 million (nearly 60%) of the Iraqi population is comprised of children and young people,[12] of which 4.1 million still need safe water, vaccinations, health facilities, support to re-enter school, and safe and protective spaces to play.[13] Children living in IS-held areas witnessed daily acts of severe violence against their community and families; hundreds of thousands were uprooted.[14] Children and families lived in constant fear for their lives and 90% lost a loved one, displaying clear signs of "toxic stress" – the most dangerous form of stress response.[15] They suffered vivid

60%
of Iraqi population is comprised of children and young people

THE HUMANITARIAN EMERGENCY IN SYRIA
Children in Syria

Nutrition/Food Security

18,700 children under the age of 5 are severely malnourished

84,200 children under the age of 5 are acutely malnourished

3.05 million children under the age of 5 require optimal feeding for adequate nutrition status

1.55 million pregnant and lactating women require preventive nutrition services

4 million people are at risk of becoming food insecure

Education

Over 2 million in the 2016-2017 school year over 2 million children are out-of-school (**36%**), an increase from **1.75 million** in the 2015-2016 school year

Disability

Nearly 3.3 milion children are exposed to explosive hazards

Over 1.5 million people are living with permanent war-related disabilities

Wash

35% of the population relies on unsafe water sources to meet their daily water needs

Including 7.6 million in acute humanitarian need

Over 14 million people need water, sanitation and hygiene assistance

Child protection

2,896 verified grave violation against children in 2017 **13% increase** in the number of verified violation compared to 2016

8.2 million people exposed to explosive hazards in contaminated areas

67 attacks on schools and education personnel in 2017

108 attacks on hospitals and medical personnel in 2017

Poverty

75% youth unemployment rate, with significantly higher rates among females

4 out of 5 live in poverty, with more than **6.5 million** in abject poverty

Health

National routine immunisation coverage has declined from 90% in 2010 to **70%** in 2017, triggering several outbreaks

3.4 million children (5-17 years) in need of health assistance

Data: UNICEF

waking nightmares and were left numb and unable to display emotions. Even if 2018 has seen a reduction in armed conflict, violence and displacement continue to occur and children remain highly vulnerable. Now that children are finally returning to their homes, they are facing new challenges that remind them of their traumatic experiences such as finding streets, schools and houses destroyed and having limited access to electricity and safe drinking water. The psychological and emotional impact of the war in Iraq is immense and it is extremely difficult for those children to cope with it.[16]

OPT/Gaza

Seventy years of conflict and close to 50 years of military occupation entail that children in the Occupied Palestinian Territory (OPT) have spent their entire life in one of the most protracted and complex conflicts in the world, exposed to political violence, displacement, military incursions and home demolitions.[17] Children see access to normal routine and activities threatened by barriers, permits and checkpoints, accompanied by fear of bombs and violence.[18] In recent months, the new wave of violence has further added to already high rates of mental health disorders in Gaza: direct or indirect exposure to violence has a significant impact on children's mental health.[19] As of late April 2018, at least 599 children were in need of psychosocial support, were suffering from different types of injuries,[20] and they were experiencing depression, hyperactivity, a preference for being alone, aggressiveness, nightmares and sleeping difficulties.[21] Despite all the challenges and the huge pressure those children face, many of them exhibit signs of resilience, thanks to the support of their parents, family and friends, which is the most common coping mechanism available in OPT.[22]

Children's exposure to conflict: Multi-sectoral approach

As noted above, children's exposure to conflict can generate various responses, ranging from post-traumatic stress disorders to toxic stress. Giving the scale of their needs,

A war severely affecting children
Children affected by the Syrian conflict (2017)

Children recruited to serve in combat roles	961
Children killed	910
Children injured	361
Children detained	244
Attacks on education and health facilities and personnel	175

Data: UNICEF

Mental Health and Psychosocial Support (MHPSS) interventions require innovative approaches.[23] Even if traditionally MHPSS falls under the scope of child protection, other sectors, like education, have the potential to contribute to the recovery of these children.[24] However, this cannot be "education as usual":[25] programmes in this field should be geared towards empowering children to process and to express their feelings and emotions, particularly through art and creativity.[26] It is essential to address the lack of safety that children feel in school by making their places of education a safe harbour, where children can feel physically safe, erasing the signs of violence and destruction.[27] The inclusion of basic psychological first aid training and simple breathing and stretching techniques in school curricula can reduce tension and stress[28] and has proved to be a feasible and low-cost alternative to individual or group therapy.[29]

Among protective factors that mitigate the impact of war-related adversities in children are a solid bond between the primary caregiver and the child.[30] For this reason, re-establishing positive parenting strategies can help to increase their caregivers' resilience so as to allow them to encourage the recovery and development of conflict-affected children.[31] It is important to organise meetings where caregivers of young children can discuss past, present and future events, share prob-

lem-solving advice and support one another to care effectively for their children.[32]

CONCLUSIONS AND KEY RECOMMENDATIONS

Local, national and international actors agree that the mental health and wellbeing of children and young people who endure the impact of extended violence is a priority as well as a fundamental factor to rebuild an engaged and educated young population.[33] It is imperative to protect children from further harm and to end impunity against grave violations. The international community and relevant key stakeholders must act now to:

• **Invest in children's mental health and psychosocial support** with long-term, sustainable, and inclusive funding for humanitarian and development programmes so as to guarantee a future for these children.

• **Promote and ensure integrated approaches to MHPSS** across all sectors: supporting education programmes by training teachers in conflict-sensitive approaches and investing in family- and community-based solutions that provide collective responses to trauma.

• **Raise awareness within communities and among parents** on children's mental health and psychosocial issues and work to reduce the stigma around these issues, which is a barrier to population-based initiatives, to promote self-care, strengthen resilience and encourage the adoption of appropriate coping strategies.

• **Bring perpetrators of attacks against civilians to justice** and ensure accountability for violations of children's rights.

• **Engage young people in relevant and innovative ways**, based on their specific age-relevant needs, by building on their potential as experts in humanitarian contexts and role models for younger children in terms of good coping mechanisms, when properly adjusted.

In driving conflict-affected children to a better future where they can achieve their full potential, MHPSS remains a key intervention that has to be prioritised in emergency and humanitarian responses.

The project "No lost generation": child protection
The targets for 2018 of the project "No lost generation"

SYRIA

• **44,000** girls and boys will receive specialised child protection services

• **85,000** women and men will partecipate in parenting programmes

• **800,000** girls and boys will participate in structured, sustained child protection or psychosocial support programmes

• **12,000** women and men will be trained on child protection in line with child protection minimum standards

• **1,500,000** individuals will benefit from awareness raising and community events to prevent and respond to child protection issues

REFUGEE HOSTING COUNTRIES IN THE REGION

• **123,000** girls and boys will receive specialised child protection services

• **270,000** girls and boys will partecipate in structured, sustained child protection or psychosocial support programmes

• **64,000** individuals will be trained on protection including child protection and sexual and gender based violence

• **148,000** women and men will partecipate in parenting programmes

IRAQ

• **29,000** girls and boys at risk will be provided with child protection specialised services

• **204,000** girls and boys will partecipate in structured and sustained psychosocial support programmes

• **23,000** women and men caregivers will partecipate in parenting programs

• **3,000** child protection workers will be trained to provide child protection assistance

• **8,000** members of community based child protection structures will be trained on child protection approaches

• **236,000** girls, boys, women and men will be reached by awareness raising activities on child protection

Data: No lost generation

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