

26 - 2013

GenevaPapers

10th GCSP / Crown Center GRC Annual Conference "The Middle East: Change and Upheaval 2012"

Christian Koch



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Acknowledgements

10th GCSP/Crown Center/GRC Annual Conference “The Middle East: Change and Upheaval 2012”

The Geneva Centre for Security Policy (GCSP), the Crown Center for Middle East Studies at Brandeis University, and the Gulf Research Center (GRC) hold an annual forum for security policy experts from the Middle East and North Africa, Europe and the United States. Through a series of inter-linked panel discussions, this series of regular conferences seek to identify and analyse key security trends in the Middle East and North Africa, with a particular focus on the likely strategic implications of these contemporary developments. This conference, initiated in 2002 as a joint GCSP dialogue initiative with partner institutions, has since become a regular forum of exchange of experts and policy-makers on the Middle East and North Africa.

In June 2012, the 10th GCSP/Crown Center/GRC Annual Conference “The Middle East: Change and Upheaval 2012” took place in Gstaad, Switzerland. It brought together 24 renowned regional, security and policy experts in order to assess the current situation in the Middle East, notably in the aftermath of the 2011 uprisings. During the meeting, participants discussed the Arab revolutions, the overall geopolitical and regional dynamics in Levant, political and security developments in Turkey, the evolution of the Arab-Israeli conflict, the situation in Iraq, as well as Iran and the Gulf region.

The GCSP gratefully acknowledges the successful partnership with and financial contributions of the Crown Center and the GRC making the Conference and this report possible. We are indebted to Ambassador Fred Tanner, Director, GCSP; Professor Shai Feldman, Director, Crown Center for Middle East Studies, Brandeis University, Waltham; and Dr Abdulaziz Sager, Chairman, Gulf Research Center, Jeddah for insightful comments on the final document. Our particular gratitude is to Dr Christian Koch, Director, Gulf Research Center Foundation, Geneva, for kindly serving as conference rapporteur and producing the present report.

The Middle East: Change and Upheaval 2012

The Middle East has undergone an unprecedented period of turmoil and transition since the end of 2010 when the Tunisian street vendor Mohammad Bouazizi set himself on fire to spark a wave of political change felt throughout the region and beyond. By the end of 2012, the Middle East had witnessed the fall of the 24-year regime of Zine El Abidine Ben Ali in Tunisia, the end of the 30-year government of Hosni Mubarak in Egypt, the violent overthrow of the 42-year long dictatorship of Muammar Qaddafi in Libya, and the transition away from the 33-year rule of Ali Abdullah Saleh in Yemen. There is further change to come with the 41-year-old regime of the Assad family in Syria under increased pressure and with even the more stable monarchies of the region, especially Jordan, feeling the impact of the Arab revolutions.

To analyze these events and put them in their proper context, the 10th Gstaad Roundtable under the theme of *The Middle East: Change and Upheaval 2012* was held on June 15-17, 2012 in Gstaad, Switzerland. Hosted by the Geneva Centre for Security Policy (GCSP), the Gulf Research Center, and the Crown Center at Brandeis University, the meeting brought together 24 renowned regional, security, and policy experts in order to assess the overall situation in the Middle East. The meeting focused on seven major themes ranging from an overall assessment of the geopolitical and regional dynamics at play to the current state and implications of the Arab Revolutions to the more specific issues of the situation in the Levant, Turkey, the Gulf region, and Israel and Palestine. The roundtable concluded with a discussion on the implications of the US election for the Middle East and its consequences for US foreign policy.

Geopolitical and Regional Dynamics

Before looking more deeply into the intricacies at play in individual Middle Eastern countries, the discussion focused on the broader picture by trying to place events in the region into a broader geopolitical framework. It was highlighted that present regional dynamics are influenced by forces such as globalization, the decline of the Westphalian order, the fact that US dominance is no longer underpinned by economic dominance, and that other traditional forces like Japan and Europe have basically taken themselves out of the game of taking global initiatives.

There was general consensus that no global power can interfere decisively in the Middle East at present. While the Cold War paradigm appears to still define the strategic thinking for Western powers as far as the region is concerned, it has become apparent that such approach has less and less applicability and highlights the diminishing influence of outside actors. At the same time, no substitute regional architecture has come into play nor has another paradigm emerged. So-called emerging powers were seen as currently not having the space to conduct successful interventions in the region. For example, while Chinese influence is said to be moving in from the east, it is far from clear whether there exists a consensus within the Chinese elite about the desirability of getting involved and actively trying to shape events and developments in the Middle East region. Instead, China has remained a buyer and seller in a commercial relationship that so far has been without a strategic component. In this context, there are doubts about the more overt security role that the Chinese might themselves be willing to take on.

On a regional level, the role of Turkey and Iran was repeatedly mentioned. Both these states were identified as middle powers trying to respond to what is going on in the region. However, as it was argued, their track record for influencing events in the region is often overemphasized. There were questions as to what degree Turkey could be classified as a military or even a diplomatic power with some arguing that Turkish policy should instead be viewed within an economic context of trying to secure markets in the Middle East for Turkish products rather than from the perspective of Turkey actually wanting to shape the new Middle East. Iran, on the other hand, while trying to project a regional image, is largely not considered an honest broker and therefore should be seen more in terms of a local power as emphasized by its role and policies in Lebanon and in other parts of the Middle East. Far from having put Iran in the driver's seat to continue to spread its influence regionally, the transitions occurring had clearly imposed limits on Iranian power projection, even galvanizing a push-back that identified the Islamic Republic as a strategic loser in the current equation.

There was the suggestion that when looking at the Middle East one was in fact going 'back to the future' and to the models of the 1950s and 1960s with weak states where subnational identities were important, regional rivalries played out within these states, and a competitive international environment pulled the region in different directions. In that context, it is less a temporary decline of external powers that one is looking at and more a re-assertion of national identities. What remains unclear in this environment is about who exactly one will be dealing with in the near-term given the complicated shifts that have occurred in the Middle

East. In addition to the complex domestic environment, the rise of a variety of non-state actors along with numerous transnational problems of energy, water shortages, and migration have all begun to play into the changing relationships.

Three other impacts were identified in terms of regional configurations. First, on the Arab-Israeli conflict, the rising role of societies and its impact on the conflict will have to be incorporated. While at the outset of the Arab Spring, there had been very limited talk about the Arab-Israeli conflict, this is likely to change given the increased role being played by public opinion, the emergence of institutions like parliaments, and an overall re-orientation based on a different view of national security and foreign policy. Second, there is the shifting relationship between the Arab world and the West, most prominently concerning the rise of Islamist parties in the region and how the West will deal with these forces. What has also become clear over the period 2011-2012 is that there is a need for an updated familiarity with political Islam. Up to this stage, a conflict between Islamists and the West has not emerged, and Islamist forces have initially shown themselves as pragmatic especially as far as their dealing with the West is concerned. But as the example of Egypt has shown, the potential for rising discord is there. Third, there is the Sunni-Shia cleavage with the main question being whether the West will dive into this quarrel by taking sides. The Sunni-Shia dichotomy was identified as the key issue for the near future with it being suggested that the Iraq war can be seen as the trigger for the sectarian divide in the Arab world. In addition to Iraq, Yemen could emerge as a potential space for a proxy Sunni-Shia war.

Finally, there is an entire revision underway about the conceptions concerning the equilibrium of power in the Arab world. This is highlighted by the role played by Qatar, for example, identified as a Lilliput playing the role of the giant and thereby raising new questions about the notions of power (soft power, money, demographics, etc.). But while there was no discernible regional Arab or Middle Eastern order before the uprisings, there is still no change on that score. Within the region, it appears as if there has already been a sharper bifurcation into the sub-regions of North Africa, the Levant, and the Gulf. While the Gulf has integrated better into the globalized world, the Mediterranean and thus the region closer to Europe has in fact integrated much less. Overall, the prospect for better inter-regional integration was seen as limited at this stage.

Arab Revolutions: An Interim Assessment

Less than two years after the outbreak of the Arab revolutions, the region is dealing with a variety of issues, such as: the unpredictability of the process, the relationship with the West, the process of governance, the power balance and the

notion of power itself, the centrality of the state, contestation as opposed to revolution as is happening in Egypt, the impact of non-Arab groups, the role of the diaspora, for example in Libya, democracy style vs. substance and the rise of neo-authoritarianism, the decline of the liberals, and the commitment of newcomers. In all of these, the outcome remains uncertain while a large number of possibilities exist about how things will turn out. Against this backdrop, it may be important to maintain modest expectations about the more immediate impact and consequences. The bottom line is that the Arab revolutions must be seen as the beginning of at least a decade-long period of readjustment of power. This means that any assessment inevitably will remain interim for some time to come.

For the moment, it would appear that the only thing that is known is what has been destroyed or what has lost its value. Most prominently, what is no longer relevant are the three pillars that have defined the Arab states system over the past decades including the legitimizing discourse featured in Arab nationalism (this being replaced by a new competition within an Islamist discourse), the specific mode of governance prevailing in a security state where emphasis was on internal security rather than external defense, and the system of a centralized economy leading to crony capitalism, and the corresponding apathy of societies which allowed the various strands of control being applied to be maintained.

The degree of consensus is much less regarding the level of real and fundamental *change* that has occurred or that has been implemented in countries directly undergoing transitions. Where shifts have occurred, it is the incomplete nature of the change and the many unresolved open issues that predominate. Similarly, the role of the military was seen as remaining predominant as the examples of Tunisia, Egypt, or Syria underline. There is further the distinct possibility of certain crisis situations getting worse, for example, the Iraqization of Libya or the Lebanonization of Syria.

It would be more appropriate to look at developments as a series of national stories with an emphasis on the transition in terms of state-society relations rather than a full transition of power. Given the vast expansion and impact of IT tools in enlarging public engagement such as satellite dishes, GSM networks, Internet and social media, a shift in the distribution of power is underway. The resulting harvest is therefore a complex mixture containing more democracy, more Islamism, and more conservatism all at the same time. The current picture in the region reflects this with a more or less successful Tunisia; an Egypt in a cycle of revolution and counter-revolutions; and a third example of a revolution being diverted into civil war in Syria. The changes are not linear. Yet, it is also becoming clear that no

new stability can be expected without a corresponding new sense of legitimacy. There is further the danger of elevating the so-called ‘Tahrir moment’ when the real issue and focus should be on the *process* that follows. What is still missing in the Middle East is, for example, the clear emergence of the middle class as a change mechanism. For the immediate timeline, a success indicator is whether new players will commit to the free market. The example of Turkey was highlighted as its success in implementing free market principles has resulted in a degree of stability from which the country profits. Meanwhile, Islamist groups will have to figure out how they will deal with the problems in their societies and with issues of contestation within themselves. Questions on how to deal with societies that are divided on several levels, including on the secular versus Islamist level, will present themselves.

The question returns to what explains the *differences* in what is happening and what are the *parameters* that explain why things are working in one place and not in another. One answer would be the nature of society in terms of their homogeneity. The second is the nature of the state-society relations. The third is the nature of the armed forces and their relation to the state structure and the society. In Egypt, one has a sort of republican army, while in Syria it is a praetorian guard of the regime in power. As a result, it is not simply a matter of contagion. There is a degree of contagion but this does not explain very much. Instead, local factors at play need to be considered primarily given that common patterns are much less significant on the ground. Given that situations elsewhere in history have played themselves out very differently, the search for historical precedents such Europe in 1989 or Europe in 1848 adds little value in terms of what might be emerging. Analogies would not be appropriate as countries are simply too different.

The Levant

Syria

While the Syrian regime retains a hold on power, its grip is loosening. The state itself as a framework is functional but it was mentioned that this will only be as long as the chain of command remains intact and as long as the state can continue to make its payments to the army and certain critical social groups of the population. At the same time, it is apparent that overall control is breaking down. At the local administrative level, governmental jurisdiction has withered resulting in an increased vacuum of authority. It was pointed out that the political hegemony of the state no longer prevails in 60 percent of the Syrian territory covering 40 percent of the population, meaning that the state can send tanks and other military forces into these regions but the forces have increasing difficulty in

holding territory. Equally, the state of the economy means that the regime has dwindling resources from which to draw on as the conflict continues. The private sector, with 63 percent of the GDP, is destroyed to the point that 40 percent of the industry, 90 percent of tourism, and 30 percent of agriculture has come to a standstill. Much of the private sector has left the country and relocated to places like Turkey and the United Arab Emirates (UAE). The related discontinuity in the chain of production has spread to the cities and population centers with the distribution of wealth now dominated by crony capitalism.

Despite the Syrian case being literally an uprising, the degree of impact the Syrian political opposition has on what is going on inside the country is still unclear. For the moment, it still appears as if the opposition outside is running behind the local coordination committees and the Free Syrian Army while attempts to establish some form of dialogue in order to deal with potential scenarios inside Syria have only slowly emerged. As violence continues to spread and the state continues to weaken, there are possibilities of increased polarization that could lead to the specific targeting of the Alawite community and possibly further massacres. Other scenarios include an internal palace coup by some Alawite officer; a break-up of Syria in a *de facto*, not a *de jure* way; the emergence of a weak leader over a fragmented society; or simply the exhaustion of all parties in Syria. Meanwhile, voices continue to argue for the establishment of safe zones either in areas close to Jordan or in the northern parts of Syria based on the assumption that as soon as such zones are established, the quasi-majority of the Sunni officers will defect.

At the external level, three processes have emerged. First, international efforts such as the Annan plan or the subsequent efforts by UN Special Envoy Lakhdar Brahimi have failed both to bring about a broad consensus about how to end the violence or even provide a temporary halt to the deadly conflict in the country. As a result, a second track put forward by regional states such as Qatar and Saudi Arabia pushing for providing direct support for the uprising has at least indirectly maintained the pressure on the Assad regime and extended some momentum to the opposition. The Arab Gulf States, in particular, see in Syria an opportunity to restore the balance of power that was upset by the US getting rid of Saddam Hussein. While initially, the GCC states tried to help the regime in Damascus, there was a change in attitude when it became clear that there was no hope of saving the regime. While it is certainly not in the GCC's interest to see Syria further implode or to see the country fall under the increased influence of Islamist movements, including the Muslim Brotherhood or jihadists, the GCC states do recognize that the US also lacks the readiness and will power to exert its influence in such a regional issue. This changes their power calculations resulting in

regional players stepping in to fill the void to some degree. The third process, of a dialogue between Russia and the United States, to bring about a solution has failed to bridge the gaps between the divergent positions of Moscow and Washington with the broad consensus being that the Russian role in the Syrian conflict has significantly complicated matters. Given a nucleus of loyalty among key Syrian officers towards Russia, combined with a feeling in Moscow that the US also lacks sufficient will to promote active intervention in Syria, the gap in positions will likely remain.

Lebanon

Since 2005, two main events with significance beyond Lebanon have dominated the headlines: the special tribunal looking into the assassination of former Prime Minister Rafik Hariri and the 2006 Hizbollah-Israel war conducted on Lebanese territory. In the latter case, relative stability along the border with Israel since 2006 has been kept. Instead, the emphasis has shifted from southern to northern Lebanon, in particular as the crisis in Syria has intensified. The shadow of the Syrian crisis has stretched over Lebanon although it remains unclear to what degree Lebanon might emerge as a battlefield and whether President Assad will want to or be successful in fomenting a crisis there. Given that one does not know when and how the Syrian crisis will end, there still exist tremendous risks and implications for Lebanon. One factor that has limited the impact so far is the fact that Lebanese political groups themselves have no interest in Lebanon once again becoming a battleground, a situation that is markedly different from 1975 when there were in fact groups that encouraged the import of conflicts in order to try to change internal power balances. Currently, no political force inside Lebanon is suggesting that violence can reorder Lebanese politics. Still, confrontations could develop in areas that have Sunni and Alawite communities, for example, in the city of Tripoli where local politics plays a role. Certainly, the longer the issue of Syria lasts, the more likely it is that Lebanon will get dragged in. In this context, a key question is how does Hizbollah view either a post-Assad Syria or indeed a situation whereby Syria deteriorates into a protracted civil war, so much so that civil war becomes a condition not a phase.

Domestically, the political divide in Lebanon has shifted from a Muslim-Christian one to a sectarian divide between Sunni and Shia with the Christian community becoming an indispensable buffer between the sectarian communities. For the moment, the danger of a serious deterioration in sectarian relations is held at bay by the interest of all parties to maintain the state in its present form. This is because the state in Lebanon has largely been able to protect the advances that each of the communities has made over the past decades. As such, the majority of

groups inside Lebanon see their future in the stability of the state which is unlike previous situations when the stability of the state was not seen as being advantageous to everyone.

Jordan

Jordan has undergone shifts in recent years which could undermine the monarchy and ultimately derail King Abdullah, thereby leading to speculation that the country could become the next case of Arab Spring. There is the issue of public workers who have gone on strikes with greater frequency and shown greater readiness for a confrontation with the government. This increased mobilization intersects with conflicts within the regime due to the emergence of Queen Rania as a political player. While the queen is supported by technocrats and new elites (although it is unclear to what degree these technocrats also harbor political ambitions), there is resistance coming from the more traditional forces of the army and other forces who argue that the Queen's power is unconstitutional. There is also resistance to the king's plan to restructure the army which resulted in the May 2010 manifesto of the Veterans of the Army seeking a greater role in the country and complaints that past privatization efforts have not been transparent and only favored the few. As a consequence of such discontent, the regime is finding it increasingly difficult to survive on its past practice of the distribution of economic goods.

The Muslim Brotherhood in Jordan has not been the driver of the protest movement although they have joined in. The king himself is seen as so far having skillfully played on the differences between the Jordanians and sections of the Muslim Brotherhood. By further portraying the Muslim Brotherhood as trying to take over the state, the king has been able to mobilize old-guard (Trans-) Jordanians to prevent the Brotherhood from gaining additional leverage. An attempt by the Muslim Brotherhood to seek support in the trans-Jordanian areas subsequently failed.

The result is an impasse with three competing forces: a socially-driven movement by Trans-Jordanians that is backed by its connections in the security forces and which pursues an agenda to redistribute wealth and crackdown on corruption; a regime unwilling to give concessions; and a Muslim Brotherhood that is well organized but unable to turn its agenda of political reform into greater political control. In this equation, the regime can no longer prevent other forces from putting forward their agenda and calling for widespread protests. A key challenge for the king will be how to maintain popular unity even as he deals with serious fiscal problems, especially given that the king himself is not seen as someone who can resolve the prevailing issues. For example, it is questionable whether

the state can provide financial payments to the tribes to spur development given Jordan's significant cumulative financial deficit. Equally, there is the issue of the king's seeming inability or reluctance to introduce fundamental reforms rather than simply continuing the usual divide-and-rule tactics. For the time being, the king has closed both the political reform strategy of the Brotherhood and the anti-corruption demands of the Trans-Jordanians with the result that demonstrations have spread to the refugee camps. The assessment was that if the Trans-Jordanians join this movement, it could indeed represent the beginning of an Arab Spring in Jordan.

On the foreign policy side, two main issues were highlighted. First, as a consequence of the failure to revive the country's economic fortunes, Jordan could find itself pushed more into a dependency on the GCC states although it was unclear whether this would necessarily increase the GCC's leverage over internal events in Jordan. Equally, financial assistance amounts announced so far by states like Saudi Arabia and Qatar are not seen as sufficient to completely meet Jordan's fiscal needs. Second, as the Syrian crisis deteriorates, Jordan could find itself under increased pressure both due to increased refugee flows but also due to suggestions that it become more active in supporting the Syrian opposition. The regime has tried to sit on the fence on this issue, but this might not be possible down the road.

Turkey and Regional Dynamics

Beginning in the spring of 2004, Turkey under the AKP government began to implement a new paradigm in its foreign relations under its *zero-problem* neighborhood policy. The new approach was facilitated by the 2007 win of the AKP which eliminated the role of the Turkish military in the country's foreign policy and has since included aspects such as a balance between security and democracy; pre-emptive peace diplomacy; multilateralism; as well as a concerted engagement with international bodies. It further includes prioritizing economic power over the more traditional military approach. The policy as pursued under the Erdogan government is not limited to the Middle East but represents an ambition to make Turkey a central power in world politics based on its geographic location, economic power, as well as its membership in NATO and application for membership to the European Union.

While the approach is seen as fresh and innovative, in practice it has proven problematic, and there are many questions as to what degree and on what grounds, Turkey can really be seen as a model. While its economic success is clear, it was suggested that the fact that Turkey has tried to supplement such success with

political power has confused the situation. Moreover, the policy as exemplified by its Foreign Minister Ahmad Davutoglu has swung between naiveté and activism. One argument is that Turkey has been too self-confident in terms of its ability to determine the course of events, especially in the Middle East. Here, three phases could be identified as that of a conciliator (2004-2007), a balancer (2007-2010), and a would-be regional hegemon (from 2011 onwards).

More directly, the zero-problem policy has failed to produce precise or even positive results, for example with Israel and Syria. The escalation in tensions with Syria due to the border skirmishes in October 2012 is Turkey's most direct challenge. A broad consensus among the majority of the parties in the parliament appears to be against any active intervention in Syria, but the increasingly harsh line against the Assad regime is equally supported. At the same time, there is skepticism regarding the opposition. The Turkish-Israeli dispute (it was argued) has strengthened the Turkish position in the Middle East. Relations with Iraq are complicated by the Turkish policy towards the Kurds. While this has resulted in better ties between Erbil and Ankara, it has complicated relations with the central government in Baghdad. It is indicative of the problems in Turkey's relations with its neighbors that there is currently no Turkish ambassador in any of these three key neighboring countries.

Thus while Turkey seeks regional stability, Ankara does not know how to implement a policy that would promote such stability. The assessment is that Turkey has not been able to promote a real vision of the kind of alliances it wants to have in the region. While Turkish aspirations are many, substantial question marks remain about Turkish objectives and motivations with the result that the Davutoglu doctrine stands between revision and damage control.

Iran: Domestic Politics and Security Implications

Iran's domestic politics have been consumed by an apparent power struggle between the Supreme Leader and the President. There is an additional layer of conflict between a generation of new politicians in Iran and the older guard, with the new generation not defined by the 1979 revolution. But as the conflict between the two sides has unfolded, it has become very clear that decision-making in Iran is vested in the Supreme Leader. Ayatollah Khomeini's thinking about the region and his interpretation of religion and pan-Islamism dominates Iran's policies and has permeated governmental decision-making. Without his predecessor's charisma and legitimacy, from the moment of his anointment, Khomeini has designed a structure based on some guiding principles such as indigenization to strengthen self-reliance; political isolation so as to limit being exposed to political

challenges; and containment of the United States based on the notion that the US wants to unseat the Iranian government.

Domestically, there has been systematic repression of everything that is organized, especially after 2009. Under the Ahmadinejad presidency, the reformist and liberal forces were decimated while cultural and economic organizations were moved under the Supreme Leader's office. The oil and gas industry was put under the auspices of the Revolutionary Guards or former members of the Guard. The result is that Khomeini controls 90 percent of the political and economic decision-making process resulting in a consolidation of his power in unprecedented ways.

On the economic side, prospects had been fairly positive until 2012 as Iran was earning sufficient income to maintain spending, with much of it going into rural development. This has changed with the increased impact of international sanctions and a corresponding rise in corruption in the banking system. It was mentioned that the Iranian people associate the decline in economic fortunes with the inefficiency of the state, including a non-responsive private sector, due to the fact that 70 percent of the economy is owned and managed by the Revolutionary Guards. A direct result is that Iran remains the number one country in the world in terms of brain drain with 135,000 Iranians in Malaysia alone.

The discussion concluded that what will happen in Iran remains difficult to predict. One possibility is the emergence of a Russian model with military authoritarian rule coming after the death of the Supreme Leader. What is more certain is that Iran will not become a democratic state in the next decade given that institutionally the country is very weak. That is not to say that in the aftermath of Khomeini's passing, Iran will not change. In fact, there is a possibility that it will become more secular but also more nationalistic.

For the moment, everything within Iranian politics is structured around regime survival rather than military power aggregation or projection. For example, it was suggested that the nuclear negotiations are designed to prevent any normalization with the United States as it is the view of the Supreme Leader's office that the US seeks to overturn his regime. And while everything will be done to prolong the nuclear negotiations so that Iran can master all necessary technological steps, the Supreme Leader would also be ready to "drink the cup of poison" and make concessions if his regime is confronted with direct consequences. Otherwise, Iran's foreign policy priorities are Iraq, Turkey, Syria, and Bahrain. Iran's foreign policy posture is also framed very much with regard to the situation of Shia

communities in the Middle East. Turkey has become extremely crucial not only from an economic perspective but also from the societal view as a safety valve because there are no visa restrictions and it is also a hub for Iranian intelligence. On Bahrain, whatever the outcome, Iran (it was argued) already sees itself as a winner. There is acute concern about the situation in Syria with the result that officials have attempted to expand their relations with Russia. Iran has also been active in supplying arms and technology to the beleaguered Assad regime through Iraq.

Iraq, Saudi Arabia, and the GCC States

Saudi Arabia and the other GCC states view the Arab revolutions through two lenses. The first is monarchical stability resulting in policies designed to protect regime security. In that context, their response can be characterized as being counter-revolutionary. Second, there is the competition for regional influence vis-à-vis Iran. As the case of Syria underscores, such an approach, far from being counter-revolutionary, actively pursues regime change. The case of Bahrain puts the GCC states, primarily Saudi Arabia, in a more problematic situation given that it has to deal here with both issues of monarchical solidarity and the competition for influence with Iran. A bigger question that was brought up is whether Saudi Arabia's use of the 'sectarian card' to block Iranian influence could be dangerous in the long run as it pushes the Arab Shia towards Iran and leads to greater enmity from which groups like Al-Qaeda could profit in the end.

The initial response by the Arab Gulf states to the challenge emanating from the Arab Spring has been to deploy money in an effort to fend off the rising pressures. This has provided short-term relief but it also ties those states to higher oil prices with corresponding budgetary commitments. At the same time, there is the slow realization among the Arab Gulf ruling families that without some form of reform, it will be difficult to maintain the current system of rule. This ultimately means a decrease in the power of the ruling families with bodies like parliaments and other institutions gaining in leverage. Even on the religious legitimacy front, a country like Saudi Arabia suddenly finds the Salafist movement playing the democratic game thereby challenging the kingdom at its core. The result is that as the pressure for political reform increases, the region will likely see more situations like that in Kuwait rather than a continuation of the old Gulf power game.

Much of the discussion focused on the stability of dynastic monarchies with a critical distinction being made between the Gulf oil monarchies and those of Jordan and Morocco which do not benefit from the same resource base. Yet, even though the oil monarchies appear stable, questions are being raised as to whether

they will be able to reform politically on an institutional basis as increased pressure challenges the system. For the moment, one advantage that monarchies have is the ability to institute quick reforms (top down) given their own inherent interest in self-preservation. Equally, it should be understood that the GCC states have so far not been questioned in their legitimacy due to the combination of an adequate financial cushion and the fact that the region so far has not produced a viable model of political transition. This means that the Arab Gulf rulers do not, so far, find themselves confronted with a serious alternative.

The key foreign policy concern for the GCC states is the direction and state of relations with Iran. Due to prevailing threat perceptions, they continue to state that they are ready to deal with the potential consequences of an Iranian retaliatory strike (which may follow an attempt to eliminate Iran's nuclear program militarily) rather than subject themselves to a permanent nuclear deterrence situation with Iran. Efforts by the US to possibly strike a broader bargain with Iran are seen as unacceptable given the perception that this would provide Iran greater leverage to continue to spread its influence in the region.

As far as Iraq is concerned, the Al-Maliki government continues to face huge issues of legitimacy given that the same faces that were installed during the US occupation are still in power. It was argued that the key problem is that of the constitution which is seen by some as one that was drafted under the US occupation to secure a divided, weak, and ultimately dysfunctional state. The result is a struggle in Iraq on two fronts – between the Shia, Sunni and Kurdish communities on the one hand and between the prime minister, the presidency and the parliament on the other. Such struggle is further complicated given that each of these offices is based on sectarianism. For the moment, Prime Minister Maliki is playing on the divisions in the country so as to be able to survive politically. But there are also accusations that the group which the prime minister leads to govern the country intends to leave Iraq a weak country that is open to influence by Iran. Here, there is a need to distinguish between fostering relations with neighboring Iran and submitting to Iranian influence.

Within the Sunni community, there are deep divisions when it comes to their role in the government. The Anbar tribes see that the promise made by the US for greater representation in exchange for cracking down on Al-Qaeda elements has not been fulfilled. As a result, there is a willingness to abandon this deal, in turn leading to suggestions of the Sunni community setting up their own form of a federal government. The bottom line, however, is that while the constitution allows for a division of resources, the Sunni areas do not have any oil. As a result,

the Sunnis have to balance Kurdish demands where those demands concentrate on Arab Sunni areas. On Kurdish aspirations, the idea has surfaced that the Iraqi Kurds should lead the way towards a unified Kurdistan. They are in a good financial position and they have military institutions which support their independence. At the same time, there is also the possibility of an Arab-Kurdish war in Iraq in which the Shia would support the Sunnis in their conflict with the Kurds.

In terms of relations with their neighbors, the policies pursued by Iraq appear contradictory. For example, there is support for the Baath party in Syria while the party itself is illegal in Iraq. Turkey, in the meantime, does not feel the need to deal with the central government of Al-Maliki given that Ankara has strong relations in place with the Kurdish and Sunni communities. For the GCC states, all current options for Iraq are more or less negative ranging from a divided Iraq, a sectarian Iraq, a strong nationalist Iraq, a security vacuum inside Iraq, to an Iraq that exports six million barrels of oil. None of these scenarios are a source of reassurance for the GCC.

Israel and Palestine

While protests as experienced in the rest of the Arab world did not break out in Palestine, there were nevertheless repercussions in terms of lessons, including the idea that the security forces were omnipotent, that the power of non-violence could have the impact it did, the demands of Islamism, and the role of the youth in spearheading the protests. It was also noted and remarked upon that an emphasis on Arabism, or specific anti-Western, anti-American or even anti-Israel themes was missing from the protests.

Regarding the role of Hamas, six implications and related questions were cited. First, there was the question of whether Hamas needs to reform its governance as far as its rule over the Gaza Strip was concerned. Second, there was the suggestion that changing circumstances in the Arab world might also open the door for another push for reconciliation among the Palestinian factions. Third, for Hamas a stark question emerged whether it was time to re-think alliances, such as those with Syria and Iran, and seek other allies. Fourth, there was the issue of what kind of relationship the Hamas government in Gaza should have with Egypt. Given the position of the new Egyptian government, however, this did not present the Hamas government with a particularly clear choice to make. The fifth issue has to do with relations with Israel and whether a new effort within the framework of the peace process would be required. The final issue was the implications of all of the above for internal politics. This had to be seen in the context of two competing visions coming forward within the movement. On the one hand, there

was the argument that Hamas needed to change its position in order to integrate with the broader Islamist movement in the region. On the other, there is the argument that integration was not required and Hamas can and should maintain its own identity.

The Fatah faction largely confronted the same issue as Hamas, for example, on governance and whether the Arab Spring meant that certain internal reform steps were indeed necessary. Related to that was the question of what would happen in the West Bank in particular in light of possible attempts by Hamas to proceed with notions of statehood through its rule in Gaza. While Fatah did show an interest as far as reconciliation efforts were concerned simply to find out what Hamas was up to, a broader debate emerged in terms of the alignment system that Fatah should be part of. There were concerns about losing Egypt, and although this turned out not to be a key issue, President Abbas did feel that more of an effort needed to be made with countries like Qatar and Turkey in order for Hamas to not get ahead. Internally, Abbas moved forward with steps against corruption which allowed him to consolidate his position and move against some of his internal rivals including Prime Minister Fayyad.

While it was clear to all Palestinians that the peace process was on hold until after the US election, there existed nevertheless an expectation that in its aftermath the pressure would increase for the resumption of some movement. The more recent granting of observer status in the United Nations to the Palestinians has underlined the centrality of the issue but the fact that this has further hardened the Israeli position, the announcement of new elections in Israel itself, as well as the realization that a continuation of the non-violent movement against Israel appears unrealistic in terms of generating results leaves the entire process with little sense of strategic direction. Both Israel and the Palestinians tend to agree that the Obama administration would like to see a breakthrough on the peace process, but expectations for a concerted US push are tempered by questions whether President Obama is in fact ready to use sufficient leverage to make such an effort. Even the heightened tensions at the end of 2012 suggest that the US will continue to refrain from taking on a more overt role.

For Israel, relations with the Palestinians had not been on top of the agenda prior to the outbreak of violence in Gaza in November 2012 and the vote in the UN General Assembly for Palestinian observer status. Instead, the main issue was Iran which has been hotly debated within Israel at all echelons of the society. Key aspects of the debate included the question to what degree a nuclear-armed Iran represents an existential threat to Israel (something Prime Minister Netanyahu

appears to genuinely believe); whether one can assume that an Iran equipped with nuclear weapons would be a rational actor, and if not, whether one could then proceed to propose notions of deterrence; how much time is there to prevent Iran from becoming a nuclear-armed state, i.e., the zone of immunity debate; how much time Israel would gain if it decided to attack Iranian facilities; what the Iranian retaliatory options would be (e.g., through allies like Hamas); and finally, what the costs for Israel would be if it decided to act without a green light from Washington. On this latter point, it had become clear that Israel could not act unilaterally against Iran due to the fact that 65 percent of the Israeli public was against a military strike, the majority of the nine ministers within the cabinet were against it, and such action was opposed by all of the recently retired head of the security services. This left little option for the moment but to accept the stated commitment from the United States that its policy in Iran was centered on prevention and not on containment and deterrence.

In reference to the Arab transitions underway, it was suggested that the Israeli debate had gone through three phases. The first was one of deep anxiety and concern centered on the disappearance of the so-called 'known devil'; the fear regarding the potential deterioration of control over such areas as the Sinai in Egypt; and the fact that the empowerment of the Arab public would result in governments much more critical toward Israel. A second phase suggested that possibly the shift in the region would not be as disastrous as originally feared but the more recent and third phase has brought serious concerns back to the forefront. On Syria, there are deep fears about what could evolve next such as prospects for the Lebanonization of Syria. While the Israeli thinking on unitary or non-unitary actors has changed over the past decade to the point that there is a conviction that one can establish a certain deterrence relationship with non-state actors that begin to act like states, the problem in Syria for Israel is that here the unitary actor could be replaced by a chaotic vacuum. There is also the related terrifying scenario for Israel of a potential collapse of the monarchy in Jordan.

Implications for the New US Administration

The question of the extent of current US power and influence in the Middle East necessarily had to be addressed before focusing on the policy implications and choices for the new administration. On the one hand, concern was expressed that the US had, up to this stage, not been very clear about what it is trying to achieve in the region or what it wants to see coming out of the period of Arab uprisings. Instead, what one has witnessed was a US that within the span of a decade has moved from direct military intervention to looking increasingly irrelevant, uninterested, or confused about its role, compounded by an increased lack of sense

of direction. Instead, the US appeared to have adjusted its policy to deal with the developments in the region on a case-by-case basis.

At the same time, participants argued that suggestions of the demise of the US as a regional power have to be considered premature at best given that for the foreseeable future the US remains the *only* force in the region with sufficient power projection capabilities. As such, and despite its announced shift of “pivoting” toward the Asian theater, no major changes were likely as far as the role of US military power in the Middle East is concerned. For the US, the Middle East remains the area where conflicts are more likely while Asia, at least for the moment, is still more about economic opportunities.

From a domestic perspective, it was pointed out that the US is preoccupied by domestic issues and the American public is tired of war. Given an evaluation that the costs of the intervention have been much greater than the benefits received, the US has shifted its position to one of ‘leading from behind’. As a result, even a new administration would be unlikely to pursue regime change anywhere in the region. The American military posture in the Middle East should be viewed as primarily, if not exclusively, of a defensive nature. With impending budget cuts on the table in the US domestic debate, a further decrease in available capability could also be in the offing.

There was a warning from participants that due to the many variables and actors currently at play in the Middle East, and the fact that no order has emerged out of the current events, it would be a very dangerous situation if the US decided to withdraw further from its role in the region. While there was agreement that the Arab Spring was caused by domestic factors resulting in a rather limited role for the United States, this view changes as soon as the discussion shifts to Iran with the US once again taking center stage. Here, the US remains central as far as the geo-political and geo-strategic issues in the region are concerned.

In terms of both Iran and Syria, the US cannot rule out the possibility of interventions, although it was clear that there is a strong reluctance to do so. In the case of Iran, it was suggested that the US had decided to pursue a strategy of deterrence and containment simultaneously, although the latter policy remained unacknowledged due to the fact that within American political discourse containment was often seen as being equal to appeasement. There was still a fear that despite its difficulties (and internal debates) Israel would act unilaterally on Iran and therefore a challenge remained on how to coordinate policies. On Syria, a more determined policy was expected following the outcome of the election

(especially if its chemical weapons inventory came into play), but it was also acknowledged that the US would have to make a concerted effort as far as Russia was concerned.

On Egypt, there had been many suggestions from within the US establishment for reduced aid or even an elimination of aid but it was also understood that such aid provided residual leverage, that Egypt faced severe economic problems, and that it would not be easy for the country to find quick suitable alternatives. The emergence of political Islam overall generated a lot of nervousness in the US. However, the general view was that, instead of taking a clear confrontational position from the outset, it would be better to wait and see how Islamist parties act once they came into power. (Going by the experience with President Morsi until the end of the year, the results were mixed). At the same time, there was the argument that the US needed a new paradigm regarding its positions on the role of NGOs and how to promote the development of civil society in the region. In the end, it was acknowledged that in terms of US policy there had been an over-reaction after the period of 9/11 but that with the Obama administration coming into office an effort had been made to hit the reset button with a greater focus on multilateralism and rule-based norms. This has not eliminated contradictions in US policy as was underlined by the enlarged and continued determination to use drone strikes against elements of al-Qaeda or by the dichotomy over the policy vis-à-vis Bahrain, home base of the US 5th fleet. As such, despite efforts to maintain a low-key role, and the space provided for local actors and initiatives, the US will continue to be pushed into playing a central role.

THE 10TH GCSP / CROWN CENTER / GRC ANNUAL CONFERENCE THE MIDDLE EAST: CHANGE AND UPHEAVAL 2012, GSTAAD, 15-17 JUNE 2012

Programme

Friday, 15 June 2012

19:30 *Arrival of Participants*
 Welcoming Dinner

Saturday, 16 June 2012

09:00-09:15 **Welcome and Introduction to the Conference**
 Ambassador Fred TANNER, Director, Geneva Centre for Security Policy (GCSP),
 Geneva
 Prof Shai FELDMAN, Director, Crown Center for Middle East Studies,
 Brandeis University, Waltham
 Dr Abdulaziz SAGER, Chairman, Gulf Research Center, Jeddah

09:15-10:30 **Geopolitical and Regional Dynamics: an Overview**

10:30-11:00 **Coffee Break**

11:00-13:00 **Arab Revolutions: Interim Assessment**

13:00-15:30 **Buffet Lunch followed by break**

15:30-18:00 **Arab Spring and the Levant**

Sunday, 17 June 2012

09:00-10:15 **Turkey and Regional Dynamics**

10:15-10:30 **Coffee Break**

10:30-11:45 **Iran: Domestic Politics and Security Implications**

11:45-12:00 **Coffee Break**

12:00-13:30 **Iraq, Saudi Arabia and the GCC States**

13:30-15:00 **Buffet Lunch**

15:00-16:15 **Israel and Palestine**

16:15-16:30 **Break**

16:30-18:00 **Conclusions and Implications for the Next U.S. Administration**

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