

CHATHAM HOUSE ISTANBUL ROUNDTABLE REALIGNMENT IN MENA*

The Chatham House Istanbul Roundtable was created in 2010, one year prior to the Arab Spring, to explore developments in the Middle East and North Africa (MENA) region. No one at that time could have anticipated the collapse of republican presidencies in Tunisia, Egypt, Yemen, and Libya; the civil war in Syria; the implosion of Iraq; or the rise of the Islamic State of Iraq and the Levant (ISIL). Today, the reality in the region is increasingly complex, messy, and unpredictable. This article presents a summary of the Chatham House's fifth annual Istanbul Roundtable to examine the dynamic changes sweeping the MENA region, the implications of ISIL's emergence in Syria and Iraq, and the long-term prospects for democracy and economic prosperity in the region.



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In September 2014, Chatham House organized the fifth annual Istanbul Roundtable to examine the dynamic changes sweeping the Middle East and North Africa (MENA). Bringing together a diverse group of political, economic, media, and civil society leaders from Turkey and across the world, the discussion focused on the rise of the Islamic State of Iraq and the Levant (ISIL), the fragmentation of Syria and Iraq, and the state of democracy and pluralism in the Arab world. This event was hosted by the Institute's partner, Akbank. This article presents a summary of those discussions, which were held under the world-famous Chatham House Rule to encourage a free and open debate.¹

Broadly, the consensus among participants was that the ethnic, sectarian, factional, and tribal differences brought to the surface by the so-called "Arab Spring" have unleashed a regional transformation of uncertain outcome. Nation-states and their traditional borders have been challenged, but may yet prove more resilient than expected. Non-state actors, primarily the ISIL, have exploited the civil war in Syria and the turmoil in Iraq to secure large swathes of Sunni-dominated areas in northern and central parts of Iraq and Syria up to the Turkish-Syrian border.

On the subject of democracy, the Roundtable's participants considered that democratic and economic progress has largely retreated in the region with the glaring exception of Tunisia. It was felt that pluralist politics may take generations to become embedded across a region where political violence was habitual, and where inflexible centralized administration and statist capitalism still dominated.

This article will elaborate on the key discussion points regarding the implications of ISIL's emergence in Syria and Iraq, and the long-term prospects for democracy and economic prosperity in the MENA region.

States and the Regional Order

The MENA region is in a period of transformation, with dissolving borders and a breakdown of regional order. Rifts and fissures have emerged between those who prefer the new order and those who cling to the old. Polarization within MENA is intense and visible. Several participants highlighted the emergence of three oppositional blocs within the region: a Shiite bloc, including Iran and Hezbollah; a Muslim Brotherhood-friendly bloc, including Turkey and Qatar; and a third *status quo* supporting bloc, including Saudi Arabia, Egypt, and the UAE.

¹ When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

While many commentators have sounded the death knell of the post-World War I settlement in the Middle East, the Roundtable's discussion highlighted how resilient those borders have been. Although arbitrarily drawn, these borders have changed much less than those in Europe over the last hundred years. They have been an established reality for almost a century and could be eroded but not easily erased, at least in the short-term. Some participants challenged what they considered the myth of weak states in the Middle East. Although the number of failing states in the region has increased, Iraq and Libya failed only after foreign intervention, and Syria has proven incredibly resistant to collapse. However, it was noted that the strongest states in the region remained the non-Arab countries: Iran, Israel, and Turkey. Several participants connected the challenges to states in the Middle East to wider problems that nation-states face in other parts of the world. It was suggested that the transition in MENA could not be viewed in isolation, but was connected to the legitimacy and sovereignty challenges felt elsewhere. Part of the challenge, it was argued, was the lack of alternatives to the unitary, autocratic state model in the Arab world. More federalist structures in the region could be a route forward.

It was suggested that the potential for a viable Kurdish state to come into being has been somewhat exaggerated. However, participants also emphasized the challenge of making predictions about the future of interlocking conflicts given the twists and turns in the region since the beginning of the "Arab Spring."

ISIL in Iraq and Syria

ISIL has benefited from Sunni-Shiite divisions to accumulate territory, water infrastructure, and oil installations in the Levant at lightning speed. The discussion highlighted the feelings of marginalization and grievance harbored by Iraqi Sunnis brought about in part by the policies of former Iraqi Prime Minister Nouri Al-Maliki's Shiite-dominated government and security forces, while the largely Alawite government in Damascus is fighting a three-and-a-half-year existential war of survival against a mainly Sunni armed opposition. In the midst of this sectarian turmoil, the collapse of the once-formidable central authority in both countries created opportunities for the battle-hardened ISIL to attempt to redraw the post-World War I Sykes-Picot borders and to envisage a Sunni caliphate in the Levant and beyond.

US President Barack Obama was acting against his non-interventionist instincts in organizing an international military response. The hastily assembled group – composed of Sunni Arab states, Turkey, and European allies – which aims to degrade and ultimately destroy ISIL was described by participants as a "coalition of the unwilling." Many at the Roundtable felt that this coalition will struggle to achieve

its military objectives by relying solely on airpower without credible partners on the ground. Meanwhile, it was suggested that US efforts to train and equip the moderate Syrian opposition to complement the US aerial campaign under the leadership of the Free Syrian Army (FSA) are unlikely to succeed. The FSA is wracked by internal disputes and the lack of a cohesive command structure; US and coalition efforts are expected to flounder if the problems plaguing the FSA are not resolved.

Moreover, the coalition was not regarded as harmonious in terms of commitments and goals. Turkey is a reluctant participant and skeptic that has so far refused to allow the coalition to use the Incirlik airbase in southern Turkey unless the military goals are broadened to include the downfall of Syrian President Bashar al-Assad, a demand steadfastly rejected by the US. This is not a healthy backdrop for achieving a decisive victory against ISIL.

Turkey was described as having been unable to “reset” itself to the post-Arab Spring reality. Since the first Roundtable was held in 2010, Turkey’s position has changed dramatically. Roundtable participants highlighted how Turkey’s previous popularity in the Arab world has been replaced with regional isolation. Relations with Egypt, North African states, Gulf Arab countries (apart from Qatar), Israel, and Iran have soured, with Turkey’s support for the Muslim Brotherhood a driver of this trend. Turkey is no longer able to act as mediator of conflicts, which was a position it prized earlier in the 2000s. Some participants highlighted what they felt was ambivalence in Turkey about being on the side of the West against ISIL. Others highlighted the need for Turkey to be anchored to the West if it is going to be an effective actor in the region. Some participants felt that there was complacency about Turkey’s strategic orientation remaining tied to the West.

Some participants questioned whether the threat from ISIL has been exaggerated, and pointed to how differently the international community responded, for example, to the rise of the Taliban in the 1990s. Others felt that to regard ISIL as simply a terrorist militia was to underestimate it. Its recruitment of soldiers, levying of taxes, issuing of propaganda, and administration of justice meant that it is more a state-building entity, albeit not the sort of state-building that is familiar or easy to understand for many in the West. There was consensus that part of the difficulty the international community faces in responding to ISIL was rooted in the fact that ISIL does not fit into the traditional framework through which the region is understood.

In neighboring Iraq, the situation is better than in Syria. Iraq’s military is being re-constituted in the post-Maliki era under more experienced military officers to project a more robust response against ISIL, and the Iraqi Kurdish *peshmerga* forces are

putting forth a stiffer resistance to ISIL in northern Iraq. However, the discussion concluded that the battle will be complicated by the persistence of Sunni marginalization in governance, wealth distribution, and representation in the security forces and the military. One participant argued that the basis of President Obama's political strategy should rest upon turning the tide of Sunni sentiment.

The role of Russia in the region was also discussed. One participant emphasized the need for Russia's active engagement on key issues in the region, including the rise of ISIL. The expectation was that Russia's engagement on ISIL and on the Iran nuclear dossier would not be too seriously affected by the rift between Russia and the West over the future of Ukraine. One participant stressed that Iran is an important partner for Russia, and vital to combat ISIL. Given wider developments in the region, Russia is trying to enhance its relationship with Iran, including in the field of oil and natural gas, although this would take time to develop. Russia does not need Iranian oil but it may stockpile it in order to influence prices.

Turkey-Russia relations were also discussed. It was suggested that on Syria, both countries have diametrically opposite priorities: regime-survival for Russia and regime-change for Turkey. Russia supports the Iran-Iraq-Bashar Al-Assad axis whereas Turkey assisted the largely Sunni armed opposition sometimes in unison with regional partners like Qatar. However, Turkey and Russia have compartmentalised the bilateral relationship from regional disagreements. Russia provides around 60 percent of Turkey's natural gas imports and around 40 percent of its crude oil and Russia is one of Turkey's largest trading partners. Both are keen not to allow regional disputes over Iraq and Syria to poison the bilateral relationship particularly close economic ties. One participant noted, however, that despite this close economic relationship, Russia has granted Turkey very few concessions in bilateral relations.

Democracy and Economic Development in the MENA Region: The Cases of Egypt and Tunisia

Following the downfall of former presidents Hosni Mubarak of Egypt and Zein El-Abidin Bin Ali of Tunisia, hopes flourished that democracy would take root and spread across the MENA region. Nearly four years later, euphoria and democratic aspirations have been replaced by despair and a popular craving for political and economic stability. There was overwhelming pessimism at the Roundtable about the progress of political reform in the region. In the Gulf, it was argued that the response to the Arab Spring had essentially been negative: efforts were focused on ensuring such developments would not happen again. The crackdown on human rights advocates is troubling. The Gulf was now less democratic than before the

Arab Spring. In Turkey, participants noted the backsliding of secularism. Some argued that Turkey was becoming more majoritarian than democratic. The government embraced free elections but not other aspects of liberalism, including full press freedom and judicial independence.

One participant argued that particularly in Egypt, the public has grown tired of constant turbulence and ideological polarization, and has turned to prioritizing economic security. Now, it was argued, Egyptians will judge the performance of President Abdul-Fattah el-Sisi on his ability to turn around the economy, and boost employment and wages while tackling the excessive budget deficit. Whether he will be able to continue managing reductions in food and fuel subsidies and handle expectations is open to debate. Participants also highlighted the rollback of personal freedoms and the reduced space for private expression in Egypt.

Sisi has adopted notable austerity measures, a mix of expenditure cuts and tax increases, previously shunned by predecessor governments, while receiving almost 20 billion dollars of crucial financial and fuel support from Saudi Arabia, the UAE, and Kuwait. Subsidy reform alone will not suffice to stimulate the Egyptian economy that has, surprisingly, weathered severe storms; it has continued to grow year-on-year after the removal of Hosni Mubarak, albeit at a sluggish pace. This growth was regarded by participants as remarkable given the turbulence. However, the Egyptian economy is still performing worse than before the uprisings. There has been capital flight, confidence is low, and severe demographic pressures remain. One participant argued that Egypt must pursue market-friendly reforms, downsize the role of the state, liberalize business rules and procedures, and encourage savings and investments. Recently, the government raised significant sums through five-year state-guaranteed bonds to widen the Suez Canal and create a logistical hub. Nevertheless, deep political cleavages and socio-economic challenges remain.

It was suggested that a key problem is that the economies of most of the region, even those which do not benefit from natural resources, are extractive rather than inclusive. In much of the region, it was argued, extractive economies were matched by extractive political institutions, and there was little incentive to reform. There is a risk that the demographic window of opportunity is being lost. Investment in human capital is needed across the region. It was also noted that the Middle East remains one of the few areas of the world that is not integrated within itself, neither politically nor in terms of infrastructure or transport. Against this trend, it was suggested that Turkey's economy had been broadly successful but would need a third wave of reforms to develop further.

Tunisia, the birthplace of the Arab Spring, is still the outlier in the road toward greater democracy and accountability in government. Islamist and secular political rivals agreed on a liberal constitution and conducted two general elections under international supervision widely seen as free and fair. In both elections, the losers, whether secular or Islamist, accepted the results without rancor or confrontation. Why was the outcome different in Tunisia than Egypt? It was suggested that Tunisia's more cosmopolitan, literate, and urban population enjoyed an independent and diverse civil society movement, ranging from trade unions to professional associations, thereby fostering a political culture based on dialogue and compromise. Notwithstanding the more tranquil political climate, Tunisians' main concern remains – not unlike their Egyptian counterparts – practical economic issues, such as the cost of living and employment.

The Roundtable also discussed the political relationships of Western powers in the region. Some felt that it was in the West's interests to support strong states, capable of combating ISIL and others, even if there was a democratic price to pay. Others felt that support for anti-democratic forces was retrograde. One participant argued that strong states backed by the West for short-term security interests had become factories for radicals.

Conclusion

The Chatham House Istanbul Roundtable was created in 2010, one year prior to the Arab Spring, to explore developments in the MENA region. No one at that time could have anticipated the collapse of republican presidencies in Tunisia, Egypt, Yemen, and Libya; the civil war in Syria; the implosion of Iraq; and the rise of ISIL. Today, the reality in the region is increasingly complex, messy, and unpredictable. One consistent factor in that time has been the inability of the US to disentangle itself from the region and to avoid military intervention, regardless of the hopes of the present political leadership. Unfortunately, any assessment of those interventions remains decidedly mixed at best, and they are regarded by many as a contribution to present regional challenges.

This year's Roundtable reflected much of the general pessimism at present about MENA's future. Participants' common perception that the regional conflagrations may get worse underscores the multitude of stumbling blocks toward peace, accountable governance, and prosperity. The Roundtable will be held again in 2015, continuing to examine and explore political and economic change in the region.