3rd EDITION

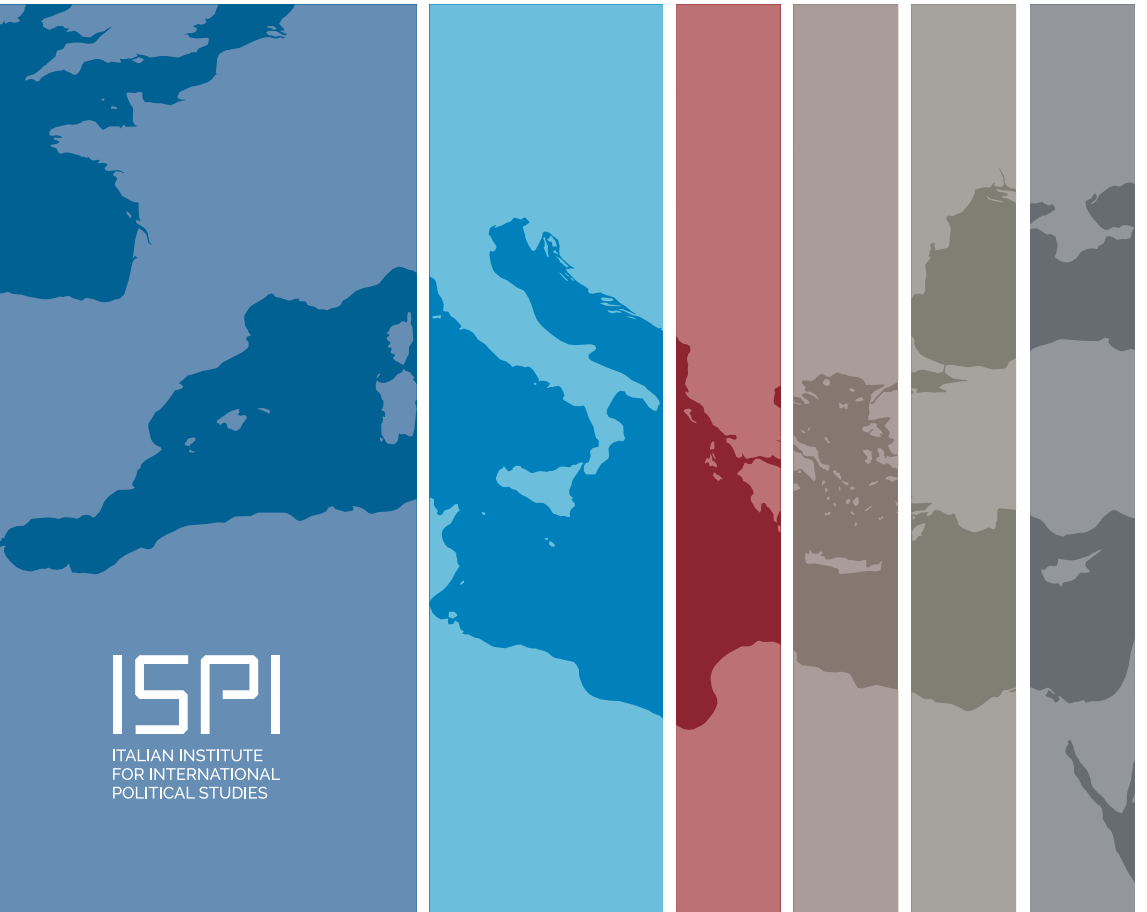
ROME 2017

MED

MEDITERRANEAN DIALOGUES

LOOKING AHEAD: CHARTING NEW PATHS FOR THE MEDITERRANEAN

REPORT



ISPI
ITALIAN INSTITUTE
FOR INTERNATIONAL
POLITICAL STUDIES

SCIENTIFIC COORDINATION

Valeria Talbot ISPI
Stefano M. Torelli ISPI, ECFR

AUTHORS

Dlawer Ala'Aldeen MERI, **Ziad A. Akl** Al-Ahram Center for Political and Strategic Studies, **Francesco Bandarin** UNESCO, **Emna Ben Arab** ITES and University of Sfax, **Rim Berahab** OCP Policy Center, **Filippo Biondi** Bruegel, **Center for Civil Society and Democracy**, **Eugenio Dacrema** ISPI, **Galip Dalay** Al Sharq Forum, **Maria Demertzis** Bruegel, **Georges Fahmi** EUI, **Dina Fakoussa** DGAP, **Maria Fantappie** ICG, **Filippo Fasulo** ISPI and CeSIF, **Silvia Gison** Save the Children, **Mohanad Hage Ali** Carnegie Middle East Center, **Omar Kadkoy** TEPAV, **Andrey Kortunov** RIAC, **David Mariano** Save the Children, **Karim Mezran** Atlantic Council, **Francesca Paci** La Stampa, **Noemi Pazienti** Save the Children, **Giuseppe Provenzano** UfM, **Ali Rostom** IFRI, **Dorothée Schmid** IFRI, **Yousra Semmache** Save the Children, **Musa Shteiwi** CSS, **Claire Spencer** Chatham House, **Simone Tagliapietra** Bruegel and FEEM, **Valeria Talbot** ISPI, **Mattia Toaldo** ECFR, **Stefano M. Torelli** ISPI and ECFR, **Arturo Varvelli** ISPI, **Lorenzo Vidino** ISPI and George Washington University, **Matteo Villa** ISPI, **Maha Yahya** Carnegie Middle East Center

EDITORIAL ASSISTANT

Chiara Anna Cascino ISPI

GRAPHICS AND LAYOUT

Giovanni Collot, Nicolas Lozito, Federico Petroni IMERICA

SCIENTIFIC PARTNERS

Published on the occasion of the third edition of Rome MED - Mediterranean dialogues (30 November - 2 December 2017), promoted by the Italian Ministry of Foreign Affairs and International Cooperation and ISPI

PREFACE

Over the last three years, Rome MED – Mediterranean Dialogues has served as a hub for high-level initiatives and meetings among policy-makers and experts from both the northern and southern shores of the Mediterranean. The purpose is to look beyond current turmoil, rivalries and conflicts to draft a positive agenda for the Mediterranean.

This new edition of the MED Report is intended as a tool to support debate in the context of Rome MED. In particular, the volume collects insights, analyses and policy recommendations from different perspectives and countries, with a view to shedding light on current dynamics and future developments in the Mediterranean region at the political, security and socio-economic level.

In this spirit, the first part of the Report highlights opportunities to be seized and provides policy options to build a better future for the region. The second part of the Report focuses on today's major regional challenges and is structured along the four main pillars of Rome MED: shared security, shared prosperity, migration, and civil society & culture.

This volume is the result of the fruitful cooperation among all MED Scientific Partners. It benefitted from the renewed partnership of Bruegel, 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), and the Think Tanks and Civil Societies Program (TTCSP) of the University of Pennsylvania.

In addition, this year the scientific partnership was enlarged to include seven institutes from the southern shore of the Mediterranean: Al-Ahram Center for Political and Strategic Studies; Al Sharq Forum; Carnegie Middle East Center; Institut Tunisien des Etudes Stratégiques (ITES); Jordan Center for Strategic Studies (CSS); OCP Policy Center; Middle East Research Institute (MERI). This expanded collaboration has allowed to further enrich the content of the volume and provide new views and ideas.

I sincerely wish to thank all the scholars and experts who contributed to this Report. Their constant support and efforts were crucial to make it possible.

Paolo Magri
ISPI Executive Vice President and Director

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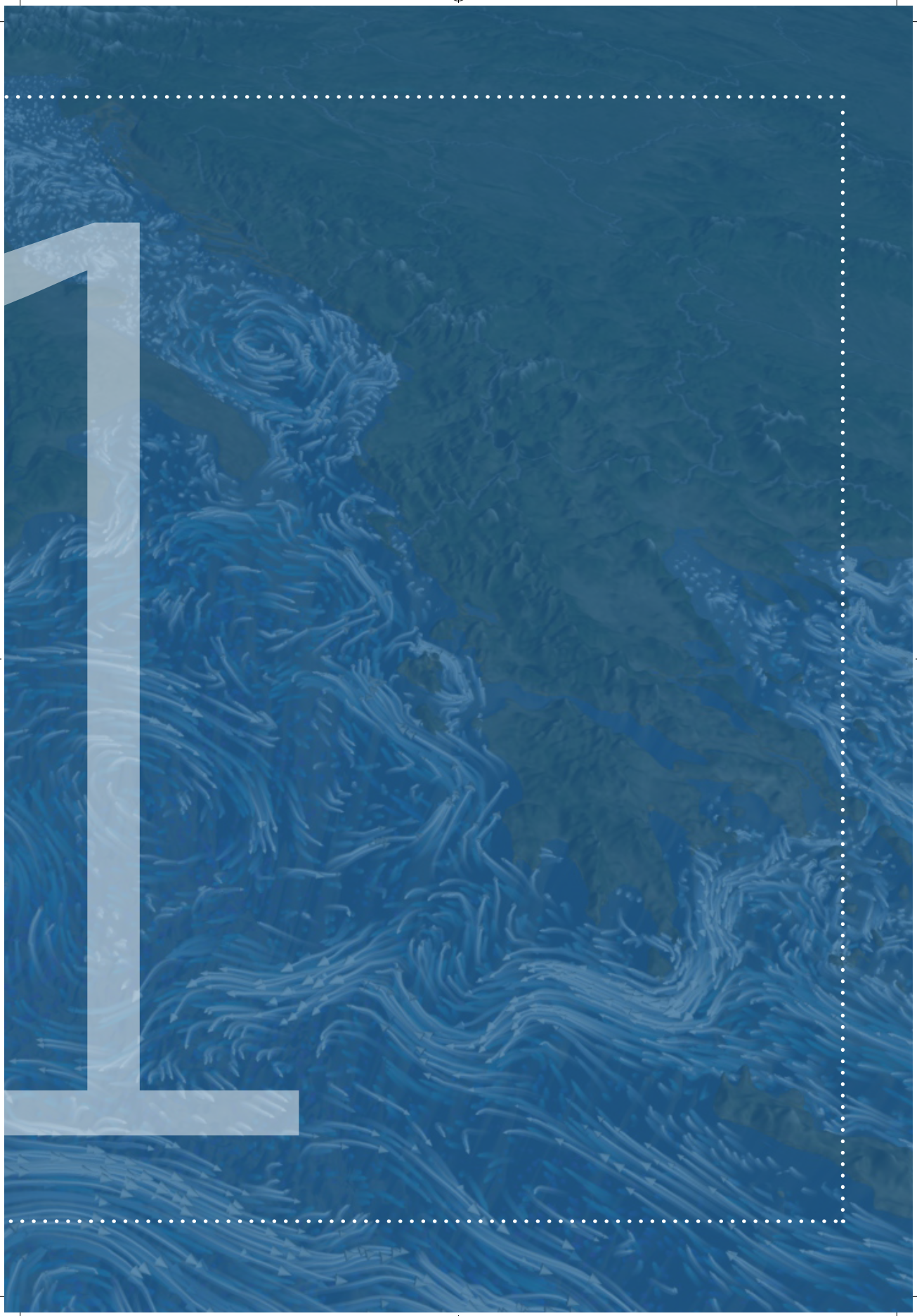
PHOTO: MEDITERRANEAN CURRENT FLOWS // NASA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The shrinking Caliphate

The Islamic State's territorial losses in Iraq

1

Dlawer Ala'Aldeen
President, MERI

The sudden fall of Mosul to the Islamic State (IS) in June 2014 epitomised the negative trend since the regime change of 2003. It symbolised the failure of the ruling elite to capitalise on the unprecedented international support and ample opportunities to build a functioning, democratic, and prosperous state.

Conversely, the liberation of Mosul in July 2017 has become the symbol of a new spirit and positive trend in Iraq, beginning in late 2015 when IS was contained through internal unity and international support. Surviving the shock of IS, Iraq went on to liberate most of the occupied territories. IS is now finally on the verge of total military defeat. However, sustaining this positive new trend and winning the ultimate war on terror brings major challenges that will require shared visions and collective efforts to overcome.

Structural weaknesses

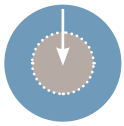
After the regime change, the Iraqi state lost its monopoly on violence. The Iraqi army was initially dissolved, then re-built de novo in haste and with no clear doctrine. Meanwhile, several paramilitary groups became operational across Iraq, many taking active roles in the sectarian war of 2005–6 between Shiite and Sunni Arabs, and in ongoing insurgencies against the state. Furthermore, eight years of sectarian majority rule of Prime Minister Nouri al-Maliki (2006–14) brought Iraq to its knees and expedited the growing inter- and intra-community divisions. Thus, even before IS' emergence, the state-building and nation-building processes were secondary concerns, making the emergence of IS and its occupation of Iraq's Sunni Arab constituency no more than consequences.

A potential turning point

The 2014 elections and government change in Baghdad proved to be a major turning point for Iraq. Al-Maliki was replaced by Haidar al-Abadi who formed an inclusive coalition government. Al-Abadi rapidly gained the support of local, regional, and global actors particularly in the fight against IS. He reached out to the Sunni Arabs, made efforts to mend fences with the Kurds and promised radical reform in governing and administration.

However, by 2014 Iraq was already too weak for a rapid reversal of fortunes. Al-Abadi did not have full backing of his own party or parliamentary faction, and his government was severely undermined by Shia-Shia rivalries. He failed to implement the promised reforms or to reverse al-Maliki's policies against the Sunni Arabs and the Kurds. That said, Aa-Abadi's government is now credited, by the Shias and the international community, with saving Iraq's unity by winning the military war against IS and regaining military control over the disputed territories which had come under the control of Kurdistan Regional Government (KRG).

Al-Abadi's success, on the other hand, is marred by two major blows to Iraq's state integrity. The first was the expansion and



-80%
the territorial losses of IS in Iraq and Syria between 2014 and 2017

legitimisation of the pro-Iranian Shiite paramilitaries (Popular Mobilisation Forces, PMFs) which became permanent fixtures of Iraq's security system. These PMFs are fully funded by the state, yet their components act independently and have overwhelming power over the state security. The second blow came after the Iraqi Kurds conducted a referendum for independence on 25 September 2017, securing 92.7% support. Although the referendum was rejected by al-Abadi's government, it nevertheless raised tensions between Erbil and Baghdad and led to political deadlock and confrontation.

Challenges and opportunities

Until recently, Iraq's ruling elite was deeply engaged in self-destructive politics, and the country's sovereignty and ability to solve its own problems remains severely undermined. However, Iraq is growing increasingly confident and has not lost its potential to recover. Military successes by the Iraqi Army, KRG's Peshmerga Forces, and PMFs were critical in creating a stable environment for post-IS recovery, and in creating a unique opportunity for Iraq to provide a successful model for post-conflict recovery. However, numerous challenges remain.

The IS war brought destruction to the physical infrastructure in the occupied areas, displaced millions of people and deepened the divisions among communities. It also highlighted the fundamental structural weaknesses of Iraq's governing system. These must be tackled urgently as a matter of top priority.

• **Stabilisation and services.** In the immediate term, the newly liberated areas need security, stability, and the provision of public services such as water, sanitation, electric power, health, and education. The authorities have been partially successful in providing some of these services in areas that were only partially damaged. Hence, many people have returned to their homes voluntarily and established communities. According to the United Nations, there were over three million displaced persons in Iraq before the liberation of Nineveh, the majority of which were IS-related and accommodated in Kurdistan. Most of these people are still awaiting the full restoration of their neighbourhoods, services, and security before they return home. Cities like Tikrit, Falluja, Ramadi, and other previously IS occupied districts have long been liberated but continue to lay in ruins with no serious reconstruction effort in sight.

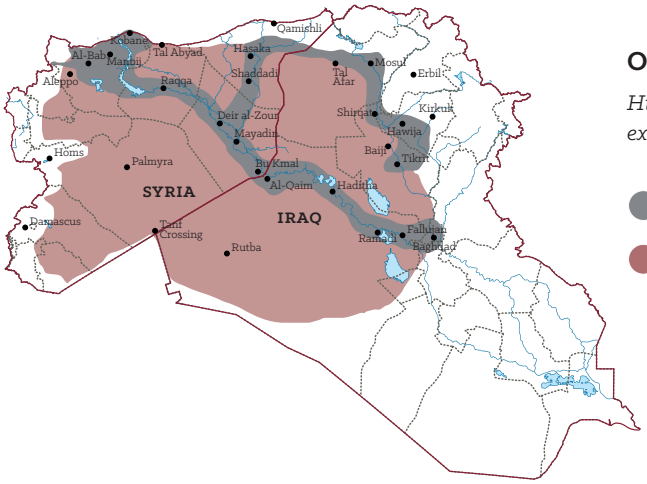
• **Reconciliation.** Over the past fourteen years, many reconciliation projects were launched by Baghdad to deal with the sectarian divide, but all failed without exception. In the absence of a genuine and centrally implemented process of justice and reconciliation, reintegration and coexistence of the various communities remains extremely difficult. Sunni Arabs' suspicion and sense of hostility towards the Shiite-dominated political system in Baghdad and the Iran-backed PMFs, has not gone away. Similarly, the recent PMF attacks (16 October, 2017), led by Iranian Revolutionary Guard Commanders on Kurdish-majority towns and cities to regain control over Kirkuk and other disputed territories, further severely undermined relations between the Shiites and the Kurds. Without regaining the trust and confidence of the country's communities, violence may erupt at any time when fuelled by acts of revenge, disputes, or competition.

• **De-radicalisation.** Unfortunately, there is plenty of ground for IS and other extremists to remain deeply embedded in society, with the potential to re-establish new strongholds in the liberated areas where poverty, unemployment, and corruption continue to drive radicalisation. For three long years, IS was fully in charge of a vast population and had opportunity to systematically radicalise generations of vulnerable children and young people. Iraq needs to approach this challenge from a different perspective, and needs to seriously invest in the rule-of-law, social justice, and economic reform, as well as revising its education system.

72%
Iraqis supporting al-Abadi

IS WITHDRAWS IN IRAQ AND SYRIA

IS territorial losses from October 2015 to September 2017

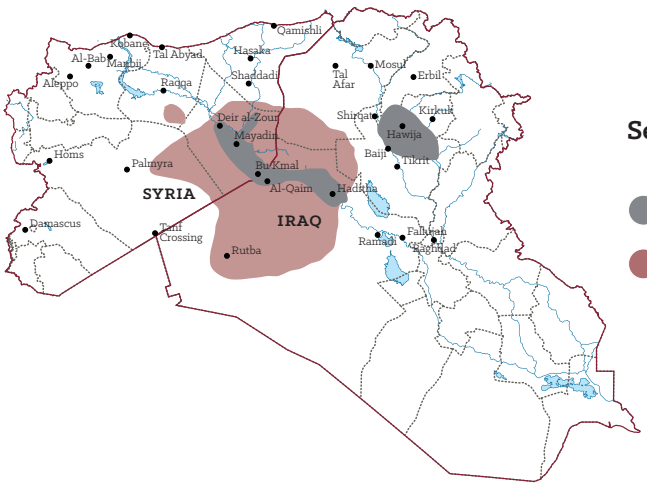


October 2015

Highest territorial expansion of Daesh

IS controlled areas

IS area of influence

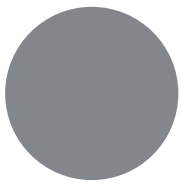


September 2017

IS controlled areas

IS area of influence

October 2015



246,604 km²

September 2017

80,867 km²

Data: Le Monde

3,356
terrorist attacks by IS in Iraq (2016)

Of course, international assistance is needed, but Iraq can learn from internal success stories. For example, the Kurdish authorities issued a general amnesty in 1991 for all collaborators with Saddam's regime, a measure that helped re-integrate them into society and saved the region from further bloodshed. In 2015, the Kurdistan Region's Parliament legislated to protect the cultural and religious identity of ethno-religious minorities in Kurdistan. It explicitly mentions the Turkmens, Chaldeans, Assyrians, Syriacs, Armenians, Christians, Yezidis, Sabean-Mandaeans, Kaka'is, Shabak, Faylie (Shiites), Zoroastrians, and "others". In 2017, school curricula were changed by introducing religious studies (replacing the narrower Islamic studies), where all religions are taught and religious tolerance is promoted.

• **Revising the governing system.** As per the Constitution, Iraq is designed to be an asymmetrical federal state, with sufficient flexibility to allow for varying degrees of devolution of power. However, with the exception of the Kurdistan Region, the country has remained highly centralised with prominent authoritarian and sectarian tendencies. There is hardly any sign of institutionalisation of resource- and power-sharing. Leaders of the institutions of democracy, including the parliament, government, and judiciary, must engage in a constructive debate to radically review the Constitution and redefine relations between the central and local governments across the provinces. Federalisation, devolution of power and systematic implementation of the constitution can save Iraq, not divide it.

The international community and conditional help

With direct international help, Iraq pulled through the IS shock. More than three long years of relentless war were required to defeat IS militarily by Iraq, however it will take much longer to regain peace and stability. Unfortunately, from 2003 to 2014, despite unlimited international assistance, Iraq's ruling elite remained ill-focused and stuck in constant political deadlock. Regrettably politics and the leadership did not change regardless of existential crises and threats. It is time for the international community to adopt new approaches to constructively engage Iraq's leaders and help them focus on good governance and the rule of law.

The international coalition has offered plenty of assistance to Iraq and the Kurdistan region militarily, economically and politically, with no strings attached. They have left Iraqi and KRG decision makers of their own accord with no pressure. Iraq requires further assistance to overcome its long-term challenges, which should be conditional on leaders investing in inclusiveness and eliminating the root-causes of terrorism.

Iraq is a resource-rich country with strategic geopolitical positions – too important for Europe and the rest of the world to ignore. The failure of the state of Iraq would expose the vital interests of Europe, the US, and others to serious consequences. Onward migration, terrorism, and reduced trade are among the obvious ones. The international community must engage Iraq's various communities more constructively in the future. The leaders of Iraq must take responsibility for the stability and prosperity of their own country.

Where the Islamic State's losses in Syria might lead

Maha Yahya
Director, Carnegie Middle East Center
Mohanad Hage Ali
Director of communications, Carnegie Middle East Center

As the authority of the Islamic State withers away in Syria, the fight to defeat IS and bring stability to the region is far from over. The liberation of IS-controlled territory presents considerable challenges and opportunities for both the international community and for Syrians in rebuilding institutions, reconstructing cities, and mending fractured social relations. It also opens a door to capitalising on the popular goodwill generated by the removal of IS.

An unravelling utopia

The liberation of Raqqa and Deir Ezzor in eastern Syria signalled the end of the utopian claims to a caliphate announced by IS in June 2014. The emergence of IS came with a significant cost for populations in the areas under the group's control. Their experiences drove many to compare the IS governance style with that of the Baathist regime in Syria. In the minds of many, the secular but authoritarian regime of the Assad family had simply been replaced by an autocratic theocracy. In many regards it was an absolute reign of terror. Entire communities were governed at the whim of local IS commanders, who arbitrarily invented laws and conducted summary executions and beheadings. People's homes were confiscated and looted, while others were destroyed under the most inconsequential of pretexts.

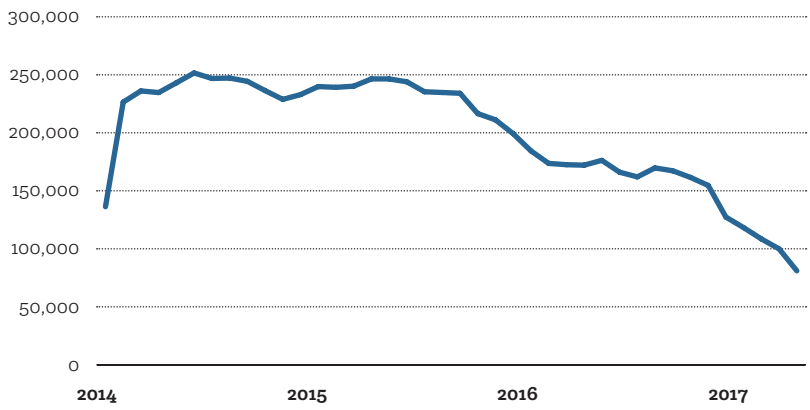
These atrocities were regularly documented. For example, in a widely-shared article, a former tourist guide described how IS transformed the Al-Houta Abyss near Raqqa, previously a tourist destination, into a mass graveyard for dissidents and members of minorities, some of whom were tossed into it alive. The corruption of IS leadership was also a subject of reports. In one widely circulated interview, a former hairdresser in Raqqa detailed the opulent life of the leaders' wives. Despite the IS claim to moral superiority, *wasta*, or the use of connections to achieve desired ends, prevailed across much of its territories. Former residents of Raqqa and Deir Ezzor, in eastern Syria, refer to favouritism in the Islamic State's distribution of *zakat*, an Islamic tax collected for the poor, as members often prioritise their relatives and allied tribes in delivering cash or basic food items. In Raqqa and Deir Ezzor, the organisation's hierarchy advantaged those from Iraq or who enjoyed Iraqi ties. To residents, this practice was reminiscent of the Syrian regime's "Qordaha connection" – the perceived favouritism for Alawis hailing from the hometown of the Assad family in appointments to high positions in the Syrian state and security apparatus.

After IS is gone

This fresh collective memory of the Islamic State's crime, and the good will should be met with inclusive governance, and a swift reconstruction plan.

There are existing and growing demands for these two elements in Raqqa, where IS has now been pushed out of its former self-declared capital. The liberation of the city by the US-backed Syrian Democratic Forces (SDF) has left many questions unanswered, especially with regards to the

Territory under the control of IS (in km²)



Data: Institute for the Study of War

return of divisive politics and the challenges of reconstruction. The liberation of Raqqa left in its wake an empty city that had become a wasteland of destroyed buildings and unexploded ordnance. More than 300,000 of Raqqa's residents fled to badly-serviced camps for the internally displaced located in SDF-controlled territories. Meanwhile, the predominance of Kurdish flags and images of Abdullah Ocalan, the imprisoned head of the Kurdistan Workers' Party (PKK), in Raqqa's city centre has triggered fears of Kurdish dominance over this Arab majority city. These fears have manifested themselves in local demonstrations against Kurdish forces. Residents of Raqqa's al-Mishleb neighbourhood protested the delays in allowing their return to their homes after the conflict ended. Rather than resolving the conflict peacefully, the Kurdish-led fighters shot live rounds at the protestors seriously wounding several civilians. Following the regime's take-over of Deir Ezzor, a bloody IS attack left 75 people dead, while Iran's al-Quds force leader, Qassem Suleimani, was photographed among fellow Shiite fighters in the city. These developments highlight the ensuing polarisation in the city, posing challenges for reconstruction and the return of refugees.

The SDF declared that the Raqqa city council, which was set up last April and includes Arab notables, would run the city. However, the capacity of the council to govern has been seriously undermined by the gargantuan task of restoring basic services, including water and electricity, the de-mining of residential areas, and the general reconstruction of a severely damaged urban area. The prospects for such reconstruction are complicated by the broader regional political scene. Turkey views the PKK, with which the SDF is closely affiliated, as a threat to its national security. This suggests that Ankara is likely to hinder the rebuilding of Raqqa and the consolidation of SDF authority there through the local city council. So far, the council's meetings and announcements remain restricted to statements on condemning the Islamic State's destruction, and highlighting the extent of work required. However, reports of a Saudi-US initiative to de-mine and rebuild the city are encouraging signs of an active international role after the cessation of conflict. It also points to a potential opening for the active engagement of countries of the Gulf in funding the rebuilding of Syrian cities.

In the north, where the Turkish-led Euphrates' Shield operation ended the Islamic State's control of Jarablus and al-Bab cities, a different political mechanism is taking

2,500-5,000

number of Yezidis killed by IS

Where IS sympatisers tweets from*

** Built on a sample size of 20,000 tweets*

Data: Brookings Institution

form. The opposition's interim government is acting as a civilian authority, providing some basic services and managing aid. The Turkish government has created a mechanism through which the interim government and local councils share revenues from the lucrative border crossings (Bab al-Salameh, Jarablus and al-Rai). This setup re-empowered local governance after their complete absence under the Islamic State and Salafist Jihadist groups (HTS, Ahrar al-Sham, Jaish al-Islam). However, a more inclusive approach towards the Kurdish population in the region is required to mend ethnic tensions after the Islamic State's defeat.

Looking to the future

The reservoir of goodwill resulting from the defeat of IS should not detract from the colossal challenges of rebuilding the state and society in Syria. This includes paying close attention to the urgent needs of civilians in liberated areas, as well as the prospects for radicalisation, particularly among children who came to adulthood in IS-controlled schools or camps.

It also means ensuring an inclusive governance model that addresses the dangers of identity politics in the wake of IS rule. This could include a focus on administrative and financial decentralisation and local governance, giving communities a greater say in running their own affairs.

In Syria, restoring some sense of normality requires a willingness by the international community to support the rebuilding of cities and societies destroyed by the conflict and the subsequent campaign to expel IS. If successful and sufficiently inclusive, the Euphrates Shield region could provide a model for governance, reviving local councils as an alternative to authoritarian central rule. There are already promising signs of the restoration of political and cultural spaces to their immediate post-revolution level, as local journalists and activists are returning.

As the power of IS disappears, the group leaves behind a trail not only of destruction and misery, but also of hundreds of

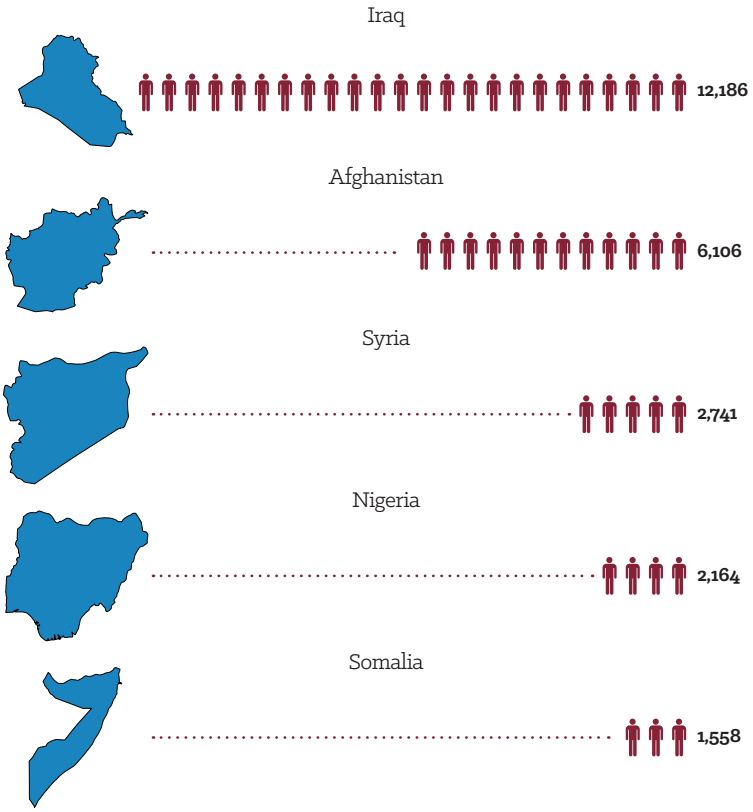
469

attacks perpetrated by IS in Syria (2016)

#med2017

a sustained debate is necessary to deprive any future radical Islamic organisations of the means to justify their acts by employing religious justifications

Number of deaths from terrorist attacks in 2016



Data: Global Terrorism Database

thousands of cautionary tales that have found their way into the region's collective memory. An inclusive transitional justice process, in the form of public trials and documentation, could help raise public pressure on governments and religious leaders to ensure that this will not happen again. A sustained debate is necessary to deprive any future radical Islamic organisations of the means to justify their heinous acts by employing mainstream religious justifications. Without this, it is only a matter of time before IS rears its ugly head again.

Political transition in Tunisia despite everything

2

Dina Fakoussa
Head of the Middle East and North Africa Program, DGAP

Elite consensus and power sharing during times of division and polarisation are core characteristics of the Tunisian democratic path that have proved immensely valuable. For this reason the Tunisian experience is rightly applauded internationally. Still it would be inaccurate and misleading to measure Tunisia's success story mainly by the ability of the political elite to generate consensus. Far more important is to evaluate this peculiar model of governance in terms of its ability to implement direly needed reforms, particularly in the social and economic realm that continues to rank highest on the list of people's priorities, and its impact on society's perception of democracy as the pathway to more individual and societal wellbeing and advancement.

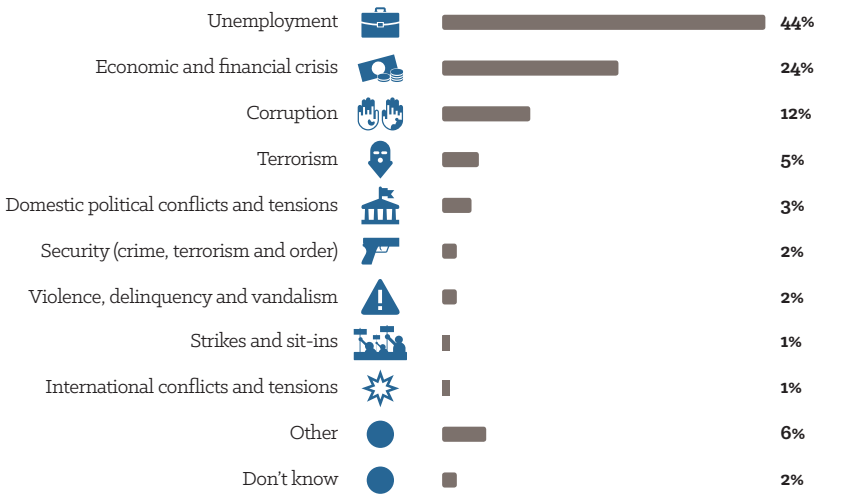
When the country witnessed serious internal conflicts and polarisation reached alarming heights in 2013, consensus was built to keep the transition process on track thus paving the way for core milestones such as the 2014 Constitution and subsequent elections. In summer 2016, a national unity government headed by Youssef Chahed was endorsed by Parliament, replacing the legitimate government of Habib Essid. In this case, there was again an elite consensus particularly between the two largest parliamentary factions, namely Nidaa Tounes and Ennahda, that only power sharing in the form of a new national unity government could prevent destabilising the country. The Carthage agreement reached in July 2016 was the peak product of these informal negotiations between the two central players and it went even further, including other five opposition parties as well as three civil society organisations, which are the Tunisian Union for Industry, Trade, and Handicrafts (UTICA), the Tunisian General Labour Union (UGTT), and the Tunisian Union of Agriculture and Fishery (UTAP). Thereby, opposition parties as well as civil society organisations were catapulted to the decision-making level.

The shortcomings of consensus government

Had Tunisia's consensus-based power constellation fulfilled people's expectations, the arrangement would seem reasonable. But until today, the public has been gravely disappointed. The pursuit of the interests of a plethora of actors has complicated and often blocked decision-making. As a result, unemployment remains persistent at 15% and in the southern and western regions it is even believed to be twice as high. Social inequality and regional disparities have not decreased and the neglected regions remain major theatres of social unrest. Consequently, there is a waning trust in democracy as a system that translates into positive change. The consensus arrangement is also problematic for the country's democratic evolution from a different viewpoint: it has led to a blurring of the political spectrum and the absence of clear demarcation lines between political parties. While all decisive political actors are directly or indirectly involved in government and governance, genuine pluralism and opposition are missing. For the development of a healthy democratic environment that offers discontented bases viable alternatives to choose from based on convictions and ideology, this is no

7
prime ministers have been appointed since the fall of Ben Ali

Opinion poll: "What is the biggest economic problem facing Tunisia?" (2017)



Data: International Republican Institute (IRI)

doubt counterproductive. Equally problematic is the fact that informal, highly personalised meetings, like those between Beji Caid Essebsi and Rachid Ghannouchi, rather than formal structures such as parliament and the ballot box, are the basis for decision-making. Thus a trade union such as the UGTT – which is de jure not a political decision-maker – is today a de facto ruling partner. These practices are detached from elections that have grown increasingly insignificant and annul the power of parliament, not to mention the repercussions on the legitimacy of those governing in the eyes of citizens. Indeed, polls and voter turnout in 2014 as well as registration numbers for the municipal elections suggest that many Tunisians consider politics devoid of any substance and have lost trust in the democratic system itself. Particularly young people have turned their back on politics. Lack of pluralism also strengthens actors on the far right or left of the spectrum. The significant rise of jihadism among the country's youth could also partly be regarded as a consequence of this context.

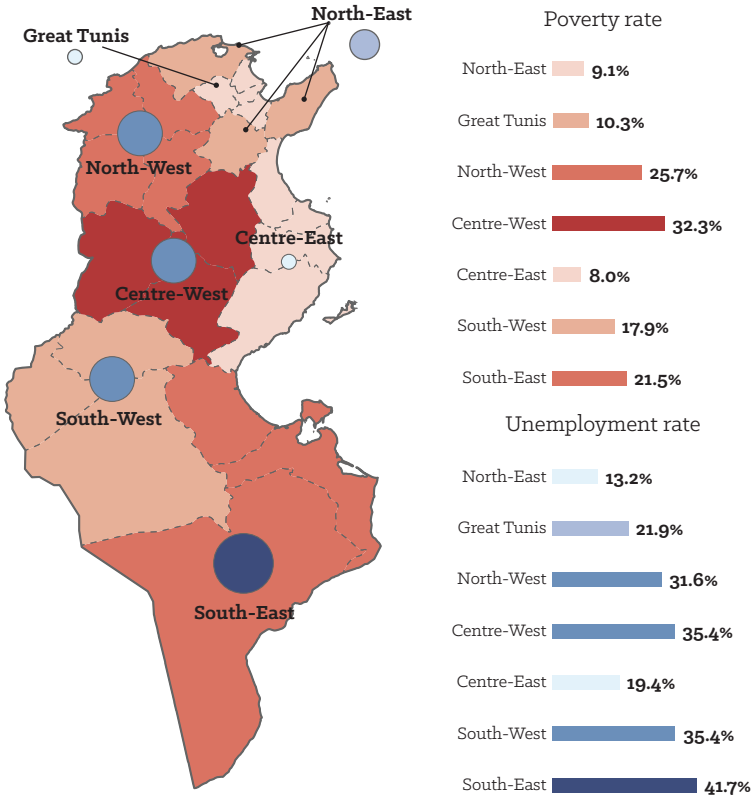
15.3%
unemployment rate in Tunisia

A call for an alternative democratic understanding by Tunisia's political elite

In Tunisia, a shift to a more "classic" mode of governance that reflects the ballot box and that more clearly divides actors into opposition and government forces might be worth testing after the general elections in 2019. This would require Tunisia's political actors to espouse a new self-understanding of their political engagement.

First, the grand significance and responsibility of genuine opposition need to be valued as much as exercising executive power. Increasingly, it seems that central actors such as Nidaa Tounes, Ennahda, and the UGTT are power thirsty for the mere sake of remaining relevant and bolstering their might. In light of the country's nascent democratic process such attitudes are irresponsible. Also, the very narrow pursuit of partisan politics needs to be rethought and weighed against its impact on the higher goal of democratic and economic progress. For example, the UGTT's vast power through its extensive countrywide reach and its ability to mobilise large segments of society needs to be responsibly devised as to not paralyse the entire country and derail economic recovery further. The third postponement of Tunisia's first-ever municipal elections to Spring 2018 serves as another example of how the predominant power-driven attitude of political actors is hindering fundamental de-

Unemployment and poverty rates in Tunisia (2015)



Data: Tunisian National Institute of Statistics

velopments. One of the main reasons for postponement seems to be the non-Islamist parties' fear of Ennahda's comparative advantage in outreach and organisation, and a very likely victory at the local level. But local elections are indispensable in order for the abandoned and highly underdeveloped regions with the highest socio-economic grievances to be equipped with legitimate local authority and financial means to address their serious woes.

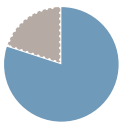
Second, and conducive to such a renewed self-understanding and reassuring for future and potential opposition forces, is the further amelioration and consolidation (and prevention from regression) of the democratic system. This needs to be prioritised by those in power as well as by opposition forces: a system based on the principles of the devolution of power, checks and balances, an independent judiciary, the rule of law, freedom of association and assembly, and the protection and advancement of human rights. Despite ongoing deficiencies and partial regression, many mechanisms through which political actors and society can push to alter courses, change reforms and eventually claim power are already in place but they have to be continuously developed and overseen to prevent setbacks. An essential step to further strengthen and expand the democratic system could be the establishment of a constitutional court where new laws' compliance with the principles enshrined in the constitution are scrutinised. It would offer an institutionalised platform with a clear mandate for checks and necessary decision-making.

The need for dialogue and inclusion continues

To be clear, the country is going through a

#med2017
an increase in budget support would clearly allow for more gradual austerity measures that are socially acceptable

historic existential phase where fundamental pillars and the orientation of society and state are being negotiated, reformed or built anew. For example, issues like transitional justice, the place of religion in state and society, and the nature of Tunisia's social and economic model need to be widely debated in a participatory fashion. Evidently, inclusion and dialogue with other actors are core. Civil society should continue to play a significant role here. The establishment and continuation of expert and public fora respectively that transcend party affiliation and where themes as complicated as for example the desired socio-economic model are intensely debated are core. These debates also need to address the feasibility and timeframe for achieving a certain model, and technical experts need to demonstrate in simple language the linkage between the everyday life of average citizens and potential measures at the macro level. At the same time there has to be also an acknowledgment of the legitimacy of those voted into power and their prerogative to take decisions. Political actors in the driver's seat on their part need to strike a delicate balance between politics and avoiding too polarising, antagonising measures, particularity if widespread opposition to certain measurers is evident, as was the case with transitional justice. The new Administrative Reconciliation Law passed in September 2017, which was highly contested and now offers amnesty to officials from the Ben Ali regime involved in corruption, as well as the most recent change in government that saw the inclusion of two former ministers of the Ben Ali regime – measures bearing president Essebsi's hallmark – are worst-practice examples. They carry high potential for conflict and division. Besides, they show troubling autocratic tendencies that can only be counterbalanced with a strong unified opposition, calling yet again for an organised, unified opposition camp.



31.3%
seats held by women in the Tunisian Parliament

The need for more funds

One of the major challenges facing Tunisia and too often constituting a major point of division among the political elite that derails economic reforms is the introduction of necessary austerity measures whilst keeping the social price of these measures low. The reduction of the government's hefty public wage bill serves as an example. Tunisia's socio-economic challenges certainly require much more than cash. But for example an increase in budget support would clearly allow for more gradual austerity measures that are socially acceptable, and it would enable the government to spend money on the vital health and education sectors as well as on infrastructure. Finally, much more attention needs to be given to the regions suffering from chronic government neglect. Quick social and economic wins are necessary. More targeted development cooperation that makes a qualitative difference might be one avenue. It is already a fait accompli that this continued lack of improvement or even deterioration in standards of living is undermining the entire democratisation process. A change in attitudes and commitments by the international community as well as Tunisia's elite is therefore paramount.

The rise of alternative young democratic voices from within religious communities

3

Georges Fahmi
Research Fellow, EUI

Parallel to the radicalisation processes that are under way within the different religious communities of the Middle East and their increasingly confrontational paths, new democratic views and discourses are being formulated among these religious communities. Religious communities have been producing in their midst a political discourse that contradicts the main trends at play at the community, national and regional levels. Examples include the Shia voices denouncing the political corruption of their community parties in Iraq and rejecting Iran's interference in Iraqi affairs, the Christian youth in Egypt and Syria refusing to support the authoritarian regimes in power, and the reformist voices within the Muslim Brotherhood in Egypt and Tunisia. If these alternative voices manage to break the isolation in which they live and establish channels of outreach, dialogue with legitimate voices within their own communities, and common action with other constituencies within their societies, they could increase their influence and play a positive role in future political developments.

Alternative Christian voices in Egypt and Syria

Despite the well-spread narrative that Christian minorities support authoritarian regimes in the Middle East, Christians in Egypt and Syria have reacted differently to the wave of Arab uprisings. While the various Churches' leadership perceived it as a threat to the powers they had gained through longstanding relationships with the autocratic regimes, other Christian voices saw it as an opportunity to build new democratic regimes in which all citizens enjoy the same rights regardless of their religious affiliation. In Egypt, in 2011, a segment of the Coptic youth established a movement to defend the political and religious rights of the Copts, known as the Maspero Youth Union (named after the Maspero area of Cairo, where Coptic youth organised sit-ins to protest against religious discrimination).

In Syria, during the first year after the 2011 uprising, a group of Christians met regularly in Damascus to discuss how Christians could support the revolution. They rejected the Church leadership's support for the regime and drafted a letter insisting on freedom and dignity for all Syrians. Other Syrian Christians took part in the peaceful protests in other Syrian cities, such as Aleppo and Homs. However, the rise of Islamic religious forces after the removal of the old regime in Egypt, and within the revolutionary scene in Syria, has increased Christian concerns over their security. This has rendered the discourse on democracy and freedom less attractive. Nonetheless, these reformist Christian voices are still struggling to spread their ideas among their communities and most of these Christian voices had to readapt their discourse to focus on humanitarian issues rather than political reforms. In Syria, many Christians are involved in humanitarian activities for Syrians affected by the armed conflict. Their Christian family names make it easier for them to pass through regime checkpoints to deliver aid to areas under siege. Other Christian activists have left the country, but are still engaged in civil society initiatives supporting Syrian refugees abroad, for exam-

8 million
Copts in Egypt, the largest Christian community in the Middle East

Timeline of Muslim Brotherhood and Ennahda

Egyptian Muslim Brotherhood (MB)

1928: founded by Hasan al-Banna

1952: the MB backs the overthrow of the monarchy

1954: first ban on the movement under Nasser

1966: MB influencing member Sayyid Qutb is executed

2005: the Muslim Brotherhood members gain 88 seats in the parliamentary elections

2012: Muhammad Mursi is elected President: the first time in Egyptian history that a president comes from MB

2013: after al-Sisi's coup, MB is heavely cracked down

Ennahda in Tunisia

1981: founded with the name of Movement of the Islamic Tendency

1989: when Ben Ali comes to power, the movement is allowed to participate in local elections and changes its name in Ennahda

1990-1992: Ennahda is banned after its good results in the municipal elections of 1989. Its members are arrested or exiled

2011: after Ben Ali's fall, Ennahda is legalized and its leader Rached Ghannouchi comes back to Tunisia

2011: Ennahda gains the majority in the elections for the Constituent Assembly

2014: the party participates in a coalition government with Nidaa Tounes

2016: historical change: Ennahda removes the reference to "political Islam" in favour of separating religion from politics

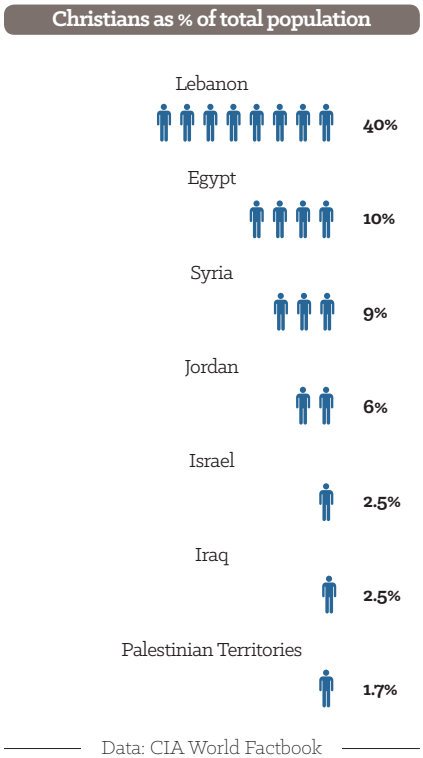
ple in Lebanon and Turkey. In Egypt, the Maspero Youth Union focuses on reporting human rights violations to attract public attention to the discrimination against the Coptic community. They are also helping with delivering humanitarian aid, as they did with the Coptic families who left the city of Al-Arish in northern Sinai after receiving threats from the Sinai branch of the Islamic State in February 2017.

Shia dissidence in Iraq

In Iraq, Shia militias have been gaining growing influence since the ouster of Saddam Hussein's Baathist regime in 2003. However, the last few years have witnessed the rise of alternative Shia voices calling for political reforms. In the summer of 2015, Iraq witnessed a large wave of protests in Shia-dominated areas against the Shia ruling elite. The protests started in the city of Basra, and then spread to other southern provinces to reach Tahrir square in Baghdad a few weeks later. While some political figures – including the communist party – joined the protests, the major bulk of protesters have been non-partisan, including intellectuals, journalists and artists. The protests started by denouncing the poor public services before increasing their demands to challenge the political corruption that led to the defeat of the Iraqi military against the self-proclaimed Islamic State in the summer of 2014. This popular mobilisation was supported by some religious figures, including the most prominent Shia religious leader Sayyid Ali al-Sistani, who asked the Iraqi Prime Minister Haider al-Abadi to stand against corruption and sectarianism, and to remove incompetent state officials regardless of their party affiliation or sectarian background.[1] While other Iraqis share these demands, the sectarian environment has hindered cooperation with youth activists from the Kurdish and Sunni areas. Moreover, the involvement of the Shia political leader Muqtada al-Sadr in the protest movement has reframed its demands to focus on Sadr's own political struggle with other Shia political forces. Nonetheless, the liberation of Mosul in July 2017 opened new opportunities for cooperation between reformist voices from both Sunni and Shia regions. For example, a group of civil

15-20%

Kurds as part of the total population in Iraq



society activists and intellectuals organised an initiative called "The convoy of freedom" as a sign of solidarity with the people of Mosul. The initiative included more than 300 people from all over Iraq who travelled to Mosul to celebrate the liberation of the city. This initiative, and other similar ones, offers an important chance for Iraqi activists from different religious and ethnic backgrounds to meet and share ideas about the future of their country. Most of them agree that the sectarian political regime has had catastrophic consequences on all of Iraq's religious and ethnic communities. They also agree that the best way to change this is through building a cross-sectarian alliance, rather than each community seeking to challenge their own political elites, as has occurred in protest movements in Kurdish and Shia areas.

Attempts to reform the Muslim Brotherhood in Tunisia and Egypt

The Sunni Islamic movement in Egypt and Tunisia has also been witnessing the rise of several reformist voices since 2011. In March 2011, a group of Egypt's Muslim Brotherhood youth organised a meeting in which they discussed their ideas on the future of their movement. They insisted on the need for a full separation between the political activities of the party and all other religious and social activities of the movement. However, at that time, the Muslim Brotherhood leadership rejected any attempt to reform the movement.

In Tunisia Ennahda succeeded in what the Muslim Brotherhood youth in Egypt wanted but were unable to achieve, i.e. to reform the movement by drawing a clear differentiation between its political and religious identities. After a few years of debate within both Ennahda's leadership and between the leadership and its rank-and-file members, the reformist voices won. In May 2016, Ennahda's 10th general assembly agreed to implement a division between the political party and the preaching activities that would practically prevent the political party leaders from also holding senior positions in religious associations or even from preaching in mosques. The congress final statement insisted that the party no longer belongs to the category of political Islam, but rather it seeks to establish a larger coalition of Muslim democrats that would include non-Islamist voices as well.[2]

New strategies for reformist voices

It is evident that the current turmoil in the Middle East has drastic consequences on the region and its populations, but it also offers opportunities that could be built on. The reformist voices within religious communities are one such case. Some of these reformist voices have succeeded in implementing their ideas, for example, Ennahda in Tunisia, while others are still struggling to defend their ideas, as is the case with reformist Shia voices in Iraq and the Christian democratic voices in Egypt and Syria. Within the current environment of religious and political polarisations – examples being the Sunni-Shia divide in Iraq and Syria or the Muslim-Christian divide in Syria and Egypt – these democratic voices often have little influence. These alternative voices face well-established institutions that are protect-

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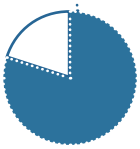
reformist within religious communities succeeded in making their voices heard, like Ennahda in Tunisia



60%
Shia as part of the total population in Iraq

ed by networks of interests, as is the case, for example, with the sectarian political regime in Iraq. Changing these established rules and confronting the networks of interests associated with them will require these reformist voices to review their strategies.

The answer to this challenge is twofold: first to seek support from legitimate voices within their own religious communities, and second to establish cross-sectarian alliances. The support of Ennahda's historical leader Rached Ghannouchi has certainly facilitated the Islamic movement shift, unlike the case of the Muslim Brotherhood in Egypt. Likewise, the support that Sayyid Ali al-Sistani provides to the protesters' demands in Iraq has amplified the impact of these voices. In addition, these reformist voices need to build cross-sectarian alliances capable of bringing together all those who share their ideas regardless of their religious and ethnic backgrounds. The recent initiative of "The convoy of freedom" to the city of Mosul in July 2017 was a step in this direction. By relying on legitimate voices within their own communities and building cross-sectarian alliances, these alternative voices can solidify their space within their communities and compete to ensure the implementation of their ideas.

New oppportunities for growth: global China reaches the Middle East

4

Filippo Fasulo
Associate Research Fellow, ISPI and Scientific Coordinator, CeSIF

When the Chinese President Xi Jinping gave his famous speech in Davos last January he was not only taking the lead of the pro globalisation international public opinion in opposition to newly elected US President Donald Trump's stand for protectionism. Indeed, he was presenting the new Chinese way to conduct international relations. The leading theme revolves around the so-called "win-win cooperation", an idea that goes along with other concepts like "shared development" and "community of common destiny". This way, Xi Jinping is promoting a new model of economic and political relations based on the narrative of mutual benefit. Interconnections among people and countries, and the free flow of goods and capital are at the centre of such a strategy, which has the potential to be a real game changer. The Middle East is highly involved within China's new leap outward and the whole region is eager to receive a new boost for its growth thanks to investment from Beijing, aimed at enhancing domestic infrastructures and international trade routes along with promoting local industrialisation. This new wave of globalisation with Chinese characteristics is named Belt and Road Initiative (BRI), Xi Jinping's flagship international policy.

Seizing BRI opportunities

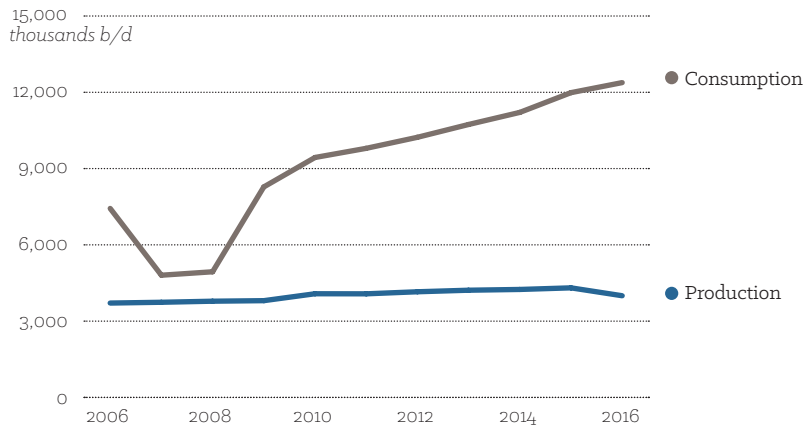
Since 2015, China's outward foreign direct investments (FDIs) overcame FDI to the country, thanks to a stunning rise started in the early 2000s. As money left China at a growing pace, in 2013 Beijing proposed a new initiative to channel those investments according to its political needs.

China's government prescriptions over BRI are described in a document issued by the National Development and Reform Commission, titled *"Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st-Century Maritime Silk Road"*. According to it, the Middle East can be referred to as "the place where the Belt joins the Road", meaning the terrestrial and maritime routes, and is therefore central to China's strategy. The so-called China-Central Asia-West Asia Economic Corridor runs from China's Xinjiang province through Central Asia, reaching mainly Iran and Turkey, while the maritime section of the project will go past the eastern shores of the Arabian Peninsula before reaching the Mediterranean Sea.

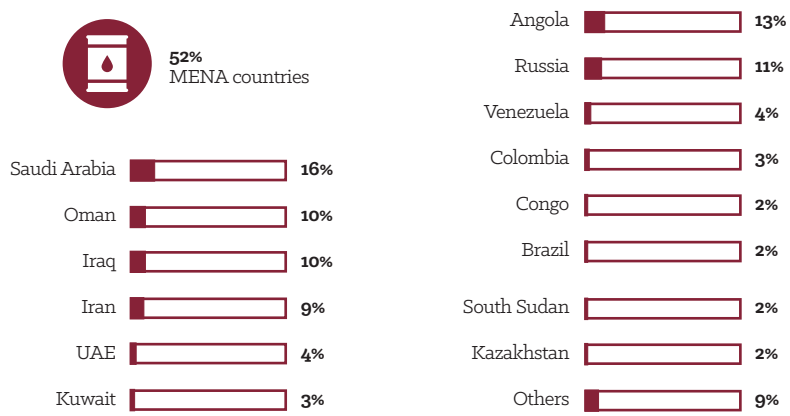
China's investments channelled through BRI do not come out of thin air, they are rooted into deeper political and economic relations. On the occasion of a trip to Saudi Arabia, Egypt and Iran that President Xi Jinping undertook in January 2016 – a turning point for Sino-Middle Eastern relations – China's government published its Arab Policy Paper, outlining its view towards the area. A key theme is to present China as a partner on a par with Arab countries, and to posit economic relations as the basis for mutual satisfaction according to the consideration that economics precedes politics. The proposed guidelines are based on a "1 + 2 + 3" model referring to an economic cooperation platform that is built on energy as its core, infrastructure and trade as "two wings" and, finally, new technologies such as nuclear en-

+26%
increase in Chinese trade with the southern Mediterranean from 2016 to 2017

China's gap in oil production/consumption



Providers of Chinese oil (% of total Chinese oil imports)



Data: British Petroleum

ergy, aerospace and new energies as "three turns." Therefore, economic relations are not only limited to trade in oil. On the opposite, their main goal is to achieve a more structured economic partnership.

Not only energy and infrastructure: diversification and development

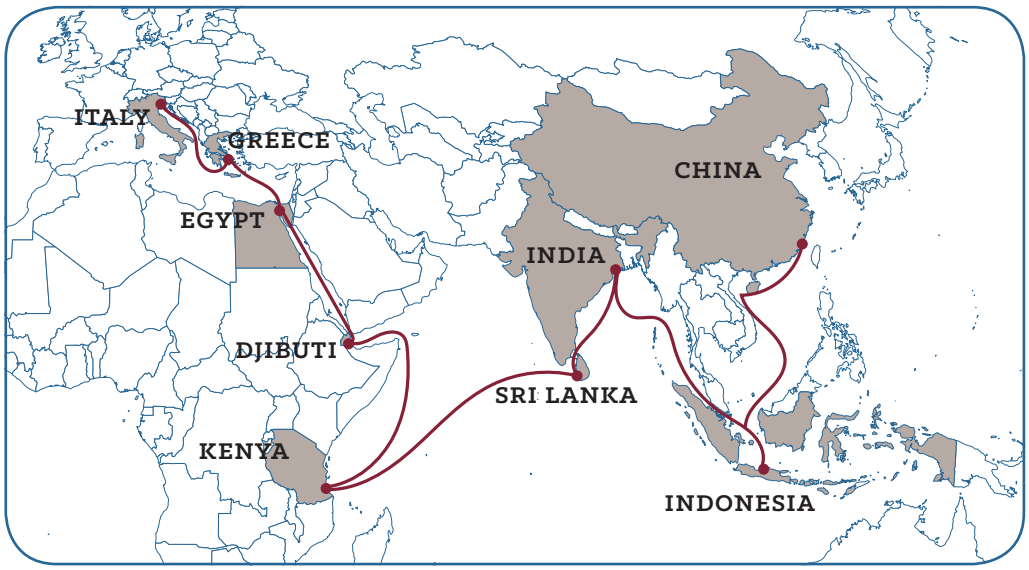
New opportunities for growth are built on existing economic relations, mainly trade in energy and goods. The relevance of energy for China-Middle Eastern relations has been clearly evident since 2014, when China overtook the US as the first destination of the Middle East's oil exports. According to an estimate by the China National Petroleum Corporation (CNPC),[1] in 2016 China imported about 62% of the oil it consumes; of that, 52% came from the Middle East. Similar considerations apply to natural gas as well, since its consumption is growing rapidly in China – although still accounting for only about 5% of its energy mix – and since about a third of the natural gas imported (which in turn amounts to almost 30% of its consumption) comes from Qatar alone.

However, China–Middle East relations are not only based on one-way energy trade. In 2015, exports to Gulf countries amounted to €61.2 billion (UAE and Saudi Arabia topped the list) while exports to the southern Mediterranean totalled €51.3 billion euros (with

52%
of Chinese consumed oil comes from the Middle East

CHINA'S WAY TO THE MEDITERRANEAN

Proposed 21st Century Maritime Silk Road



Chinese committment in the Mediterranean

In 2017 China opened its first overseas naval base in Djibouti

552 million $
Chinese investments in the Greek port of Piraeus

China is the largest investor in the development of Egypt's Suez Canal Corridor

11 billion $
Expected Chinese investments for the new administrative capital of Egypt

1 billion $
Chinese investment in the construction of a new industrial and technological hub near Tangiers, Morocco

First 10 countries of the Mediterranean and MENA region for Chinese investments and contracts (billions of $, 2005-2016)

Saudi Arabia	30	Egypt	19
Italy	22.9	Iraq	18.5
Algeria	22.8	UAE	18.4
Iran	20.5	Turkey	13.5
France	19.4	Kuwait	7.6

Data: AEI

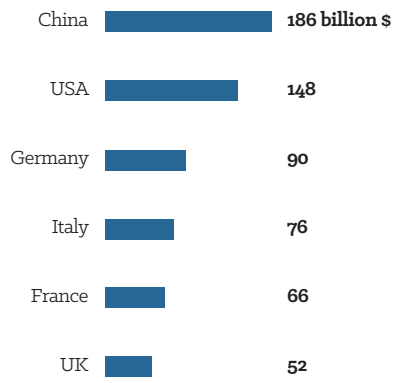
Turkey and Egypt as main destinations), an increase over the previous year of 19% and 23% respectively. The importance of trade in goods is highlighted by the fact that China has a significant surplus with southern Mediterranean countries (in 2015 China imported goods worth €8.5 billion, and exported goods worth €53.7 billion), while it is balanced with the Gulf countries (imports for €61.4 billion; exports for €61.2 billion euros).[2]

Against this background, the future of economic relations looks promising from many points of view. In fact, the goal is to reach a level of bilateral trade of $600 billion by the mid-2020s, and to increase China's non-financial investment stock in Arab markets to over $60 billion (up from $10 billion in 2013).

Infrastructure development is the most evident opportunity that BRI can bring to the Middle East. Those projects are not only useful to connect China with Europe, but also to boosting local infrastructure levels. Projects are afoot, for example, in countries like Oman and Turkey for the creation of highways and railways, but also energy-related infrastructure is on the verge of receiving a significant boost[3] thanks to China's investment. This element might also further fuel trade and investment facilitation, by using local currencies for trade and creating new cooperation models. Those kinds of investments are very likely to be carried out because they are needed to solve existing structural problems in trade in energy with Beijing.

At the same time, a rise in maritime economy is crucial to creating new growth opportunities. Chinese investments in ports have a more-than-a-decade-long history, but recently they were stepped up dramatically. Indeed, after COSCO's – China Ocean Shipping (Group) Company – takeover of 25% of the Antwerp Container Terminal in 2004, in 2015 and 2016 China completed at least 7 other similar operations. The Greek port of Piraeus is no doubt the most relevant acquisition, thanks to the purchase of a 67% share in the Piraeus Port Authority. Such an operation contains a pledged commitment to make it a major hub in the Mediterranean

Overall trade with the countries of the Mediterranean area (2016)



Data: Eurostat; UNCTAD

Sea and it will be strengthened through investments in ports in the southern and eastern Mediterranean, and in the Adriatic Sea.

The high flows in Chinese investment abroad are also giving new hope to other countries in the region. Political leaders expect cooperation with China to be instrumental both for diversifying and promoting industrial development. The UAE are among those who are seeking to find a new role not related to mere energy trade. For this reason, Dubai is eager to become the second country in the region to host a Yuan clearing and settlement facility in order to become a financial hub for China's Renminbi internationalisation. Diversification might also be achieved through industrialisation led by Chinese companies. Saudi Arabia is certainly among the interested countries: it is attempting to link and pair its *Vision 2030* to BRI and the 65 billion dollar deal, it should be noted, includes an agreement to manufacture China-made drones. Indeed, manufacturing is a further element that might be boosted by a globalisation in China's activities. Beijing is carrying on the promotion of cooperation in production capacity and equipment manufacturing[4] in order to facilitate the transition of its own industry to a higher level in the global value chain. Besides Saudi Arabian drones, China is very much interested in the Middle East's abundant labour force, low la-

$600 billion

the Chinese goal for trade exchange with the MENA countries by 2050

bor cost and good education programmes, especially in countries like Egypt and Iran.

Three conditions for fostering growth

China is expanding its presence in the world and in the Middle East through a stunning increase of its investment abroad. However, in order to ensure that the dream of development brings about real benefits, three main conditions need to be fulfilled. The first is that China keeps investing and targeting the Middle East as a significant partner. BRI and China's Arab policy paper should be a guarantee that this will happen. Secondly, in order to invest China needs regional stability in the Middle East. This means that Beijing might be ready to have a stronger voice when it comes to political issues. Finally, as Chinese investments increase and China's local presence becomes more evident, it appears more and more necessary that M&As and greenfield operations are perceived as mutually beneficial and that local people are involved and partake in job creation and the distribution of new wealth. This is a crucial aspect in order to realise BRI's strategic goals. In so doing, the Middle East will end up being part of a new global value chain with Chinese funds and companies playing a significant role. Local industrialisation through industry capacity cooperation and people-to-people connection is therefore a major factor to align China's need to invest abroad and southern Mediterranean countries' development prospects.

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Local industrialisation through industry capacity cooperation and people-to-people connections is crucial

The Mediterranean in the digital era: youth-led technological advance

5

Claire Spencer
Senior Research Fellow, Chatham House

Future growth in the Mediterranean region can no longer rely on the expansion of existing development models and private sectors, much less on providing limitless public sector employment to meet labour market needs.

To the south of the Mediterranean, low-skilled industrial production is already coming under threat from Asian competition and robotics. The agricultural potential of the region remains hampered by export-oriented policies and limits to the output for domestic markets. In southern Europe, high public debt ratios and austerity measures have created greater divisions between the beneficiaries and victims of economic policy since the onset of the Euro crisis. Unemployment among the under-30s across the Mediterranean still exceeds 35-40%, down from 60% in Greece and 56% in Spain only four years ago.[1] A new regional paradigm is needed to prepare the economies of the Mediterranean region for the global impacts of rapid technological change, resource constraints, and climate change. The choice facing North Africa, the Levant and the peripheral regions of southern European states is two-fold: either to embrace and invest in a high-skilled "knowledge economy" to build on the region's untapped consumer-led growth in goods, services and renewable energy, or to scale-up the currently small number of medium and large private sector enterprises to create employment opportunities in both new and older sectors of the economy.

Under each scenario, technology will have a key role to play, as will a re-conceptualised and devolved private sector. A recent INSEAD report summarised the untapped potential in the Middle East and North Africa (MENA region) as follows: "*the digital economy is, at 4% of GDP, half of what the US is at (8%) and lagging behind the EU (6%). Furthermore, seizing the digital opportunity requires reacting to wider transformations that technology is creating in the world of work. New skills are clearly needed. An even more pressing issue is to acknowledge how work practices are changing globally, how new work models are emerging, how career patterns are drifting away from the prototypical single employer career path, and how all these changes are likely to affect the efficiency and relevance of existing practices, policies and institutions in the MENA region.*"[2]

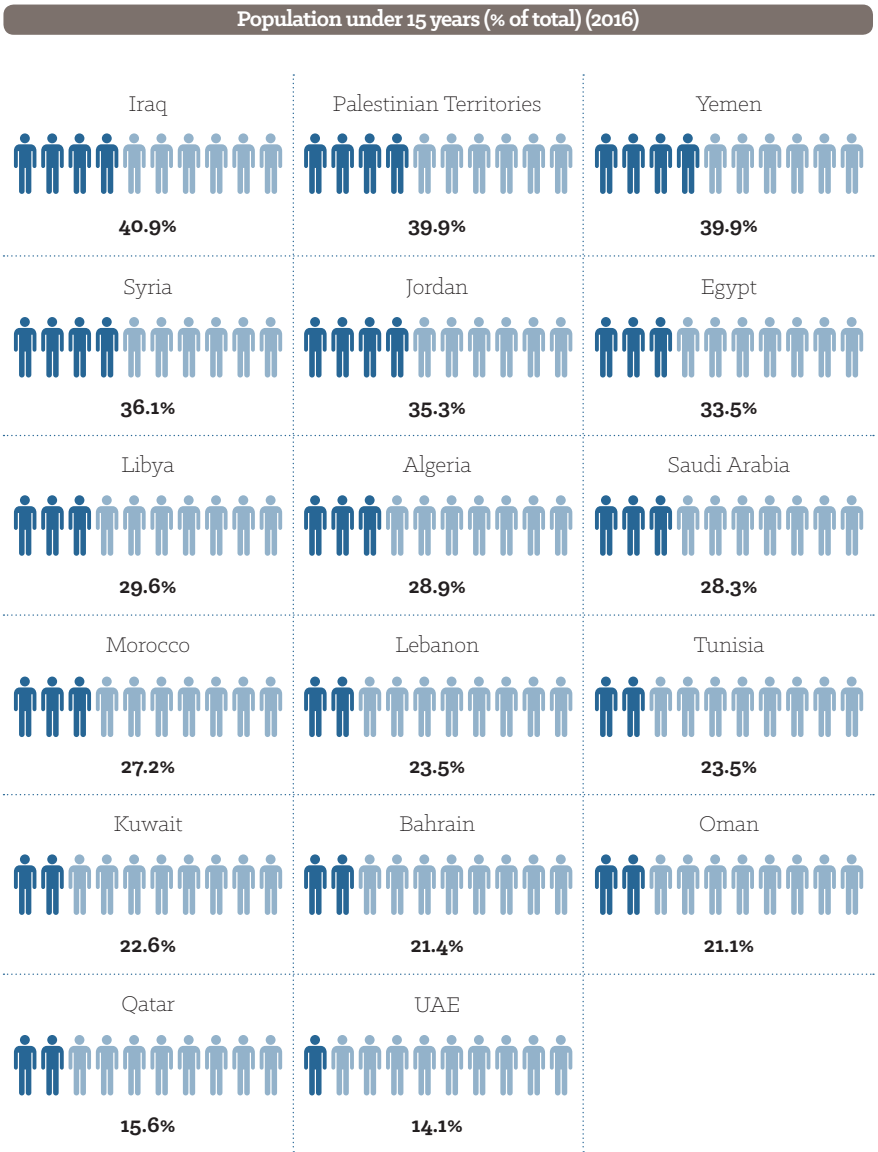
Technology and a new private sector

In a region where established private sectors often suffer from an image of accrued advantage and "crony capitalism", a change of public policy direction is required to facilitate the rise of technologically-informed business models. A new type of business sector is needed to increase competition and market efficiencies in the existing economy, whilst also creating new jobs for workers displaced by technological change. The shift from state-dominated economies is already underway for budgetary reasons as much as from changing public expectations, including in southern Europe.

Parallels with previous industrial revolutions may be exaggerated, but the disruptive effects of technology on multi-speed economies are already being felt across the wider region and into Africa. Since 2012, for example, the mobile phone all-based transportation

160 million
people out of 350 million people in the MENA region live in the cities

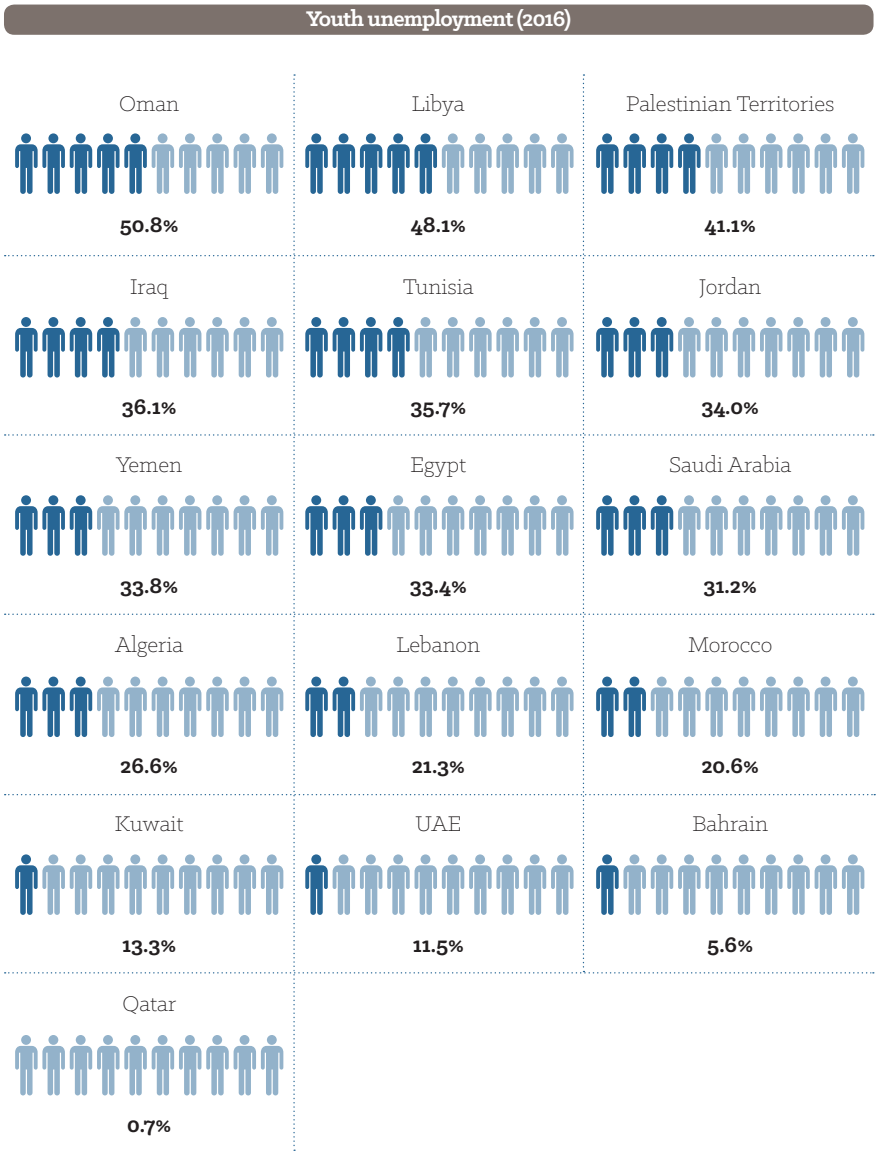
4%
of GDP:
value of digital economy in the MENA countries



company Careem has expanded from its origins in Dubai to operate in 53 cities across the Middle East, North Africa and South Asia; the translation and editing agency Tarjama also employs women across several Middle Eastern states via online platforms in ways that would not have been possible a few years ago.[3] There are implications for how the Middle East has traditionally been seen[4] as well as for new forms of economic interaction within and across the Mediterranean Basin.

The three vectors for change

Youth. Much of the new activity is driven by the generation that has grown up with new technologies and who by nature are more globally-integrated and aware than their parents' generation. The under-40s also represent well over 75% of the populations to the south of the Mediterranean. In designing and developing new market opportunities, the majority of start-ups still fail, but the success stories often move faster than the ability of policy estab-



lishments to keep track. In the EU, for example, the advent of the "Internet of Things" and the "gig" or collaborative economy has placed new regulatory demands on governments, in sectors that a recent European Commission White Paper estimated could add as much as 572 billion euros to the EU economy in coming years.[5]

The new business possibilities made available by the rapid regional expansion of mobile phone technology as well as via Facebook and platform-based connections means that many of the youth of southern Europe and the MENA region have more in common with each other than with traditional economic thinking and practice in their own countries, and often design solutions to youth-based needs that inherently cross cultural and geographical borders. For now, it is mostly the externally educated elites of the MENA region that have established the international networks and understand the potential of new

40%
the share of informal sector in the southern Mediterranean economies

technologies who are best placed to advance their business models in practice, but ideas travel swiftly across borders in an increasingly inter-connected world.

Strategic connectivity. Small and Medium Enterprises (SMEs) are often seen as the main avenue for satisfying the region's employment needs, but many are still stuck at the 'small' stage of development, and struggle to scale up to levels at which more jobs may be created and sustained. New types of public-private partnerships are required to create the kinds of enabling environments that will build future business champions that stretch beyond national borders. New entrants to the workforce across the Mediterranean need to be educated to acquire the skills of critical thinking, self-reliance and flexibility, and will increasingly demand the kind of "e-governance" and "big data" methodologies being adopted internationally for streamlined and targeted public policymaking. Investment in infrastructure will also need to keep pace with the requirements of the virtual world alongside logistical connections that favour greater intra-regional and global trade.

In order to scale up and add value and jobs to the best new economic initiatives in the region, a better understanding is also needed of how Mediterranean economies are already being incrementally restructured through formal and informal economic links within the region and beyond. New investors in technology no longer reflect the "north-side" dynamics of Euro-Mediterranean policy since the 1990s: private venture capitalists are increasing in number and scale alongside state-backed investors from China, India and the Gulf to make strategic investments in new markets designed to link Asia and Africa across the Mediterranean. Their targets range from e-commerce, "fintech" and solar energy to more traditional, but under-exploited, regional consumer markets for pharmaceuticals, health care and insurance, inter alia.

These new sectors address the neglected youth and consumer-oriented markets of both the Middle East and Africa and mesh with informal sectors which to the south of the Mediterranean already represent over 40% of formal economies. With regional mobile phone usage having increased well above global averages over the past decade, the emergence of new online and platform business models will require new thinking about fiscal and administrative reforms to incentivise their integration into the formal economy, as well as labour market regulations.

Cities. While the challenges faced on both sides of the Mediterranean are different in nature and scale, the role of cities as the nexus for future economic development is growing in importance. The spread of virtual connectivity along with new transport links could revive the age-old synergies for cooperation across the Mediterranean Basin, above all in port cities that double as technological hubs.[6] According to Arif Naqvi, CEO of the Abraaj Group, six cities alone already represent 40% of the GDP of the MENA region (Casablanca, Tunis, Cairo, Dubai, Abu Dhabi and Riyadh) and enjoy growth rates double that of the countries in which they are situated; 160 million of the MENA's region's 350 million people live in cities.[7] The Mediterranean Growth Initiative, which seeks to stimulate greater regional trade and investment, reminds us that the combined markets of the Mediterranean Basin represent 500 million people and 10% of world GDP.[8]

Too often, as in southern Europe, the Mediterranean is viewed as a backwater to the engines of growth situated in capital and industrial cities further north, or to the east in the Gulf for the Arab world. The combination of new urban hubs for growth, markets connected through virtual as well as physical means, and the new mind-sets represented by the region's youthful pioneers could well reinstate the Mediterranean as a trading and business hub in its own right.

#med2017
a change of public policy direction is required to facilitate the rise of technologically-informed business models

Going green: prospects for renewable energy in the MENA region

6

Rim Berahab
Research Assistant, OCP Policy Center

The global energy landscape is witnessing an important growth of renewables. This transition to less polluting energy sources holds important socio-economic benefits and offers a path of prosperity and sustainability, in a world that is progressively preoccupied by climate change.[1] Although the Middle East and North Africa (MENA) region is traditionally linked to conventional forms of energy such as oil and gas, renewable energy is starting to emerge as a new transformative opportunity. Accounting for 6 percent of the world total population and expecting an additional 213 million inhabitants by 2040,[2] the MENA region is likely to be subject to an upward pressure on energy demand. Therefore, if this region can turn its renewable energy potential into reality, it would help alleviate this burden.

Renewable energy potential: overview and outlook

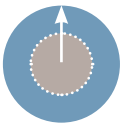
Renewable energy can play a key role in the Middle East and North Africa region as a cost-competitive substitute to conventional fossil fuels. Of all renewable energy carriers, solar energy for electricity generation has the greatest potential, with costs among the lowest in the world and an impressive pipeline of projects.

The MENA region has some of the best solar resources in the world – with global horizontal irradiance values ranging from 1,600 kWH/m^2/y in the littoral of the Mediterranean to 2,600 kWH/m^2/y in the desert –, low rainfall and vast spaces available to install mirrors or sensors without having to move populations. The potential for wind is high as well in several countries of the Mediterranean, such as Morocco, Egypt, and Iran, and more moderate, yet still interesting in Gulf Cooperation Council (GCC) countries and Iraq.

In 2015, renewable power generation grew by 8 percent, reaching 45 TWh.[3] The largest source of renewable generation was hydropower. The share of the latter amounted to 61 percent of total renewable energy supply in selected MENA countries,[4] followed by solar thermal (17 percent) and wind (16 percent).[5] In addition, renewable electricity capacity doubled since 2014 and reached 1.9 GW.

The most noticeable developments in 2015 came from Morocco in North Africa and Jordan in the Middle East.[6] Morocco is presently one of the leading countries regionally in regard to installed renewable capacity for non-hydroelectricity.[7] By the end of 2015, renewable energy increased by 17%, driven by nearly 800 MW[8] of installed generation capacity for total wind and solar power, the largest in the MENA region. The first phase of the Ouarzazate's NOOR solar project, launched in early 2016, and phases II and III in progress should add considerably to this capacity reaching 2 GW by 2020.[9] As for Jordan, renewable generation tripled in 2015. This progress is driven by the important deployment of onshore wind and solar photovoltaic (PV) projects such as the Tafila wind project, commissioned in 2015 with a capacity of 117 MW, and the net metering scheme that added 20 MW of distributed solar PV.[10]

A strong outlook is expected for the MENA region over the medium term, thanks to its fast-growing energy demand, excellent re-



+78%
expected renewable generation growth in the MENA region

1,600 – 2,600 kWH/m^2/y
the global horizontal irradiance value of the MENA countries

+8%

growth of renewable power generation in the MENA over the last year

+17%

growth of renewable power generation in Morocco

source availability and increasing cost-effectiveness of renewables. Renewable generation is thus expected to grow to 78 percent by 2021, reaching 80 TWh and the share of total power generation is expected to reach 5 percent.

This growth would be mainly driven by solar PV (8.1 GW) and wind (6 GW) particularly in the United Arab Emirates (1.6 GW), Egypt (2.9 GW), Morocco (1.7 GW) and Jordan (400 MW). Hydropower capacity and Concentrated Solar Panels (CSP) would continue to grow but to a lesser extent.[11] To capitalize on this potential, massive investments in transport infrastructure will be required to connect solar installations, deliver electricity to consumers and interconnect countries.

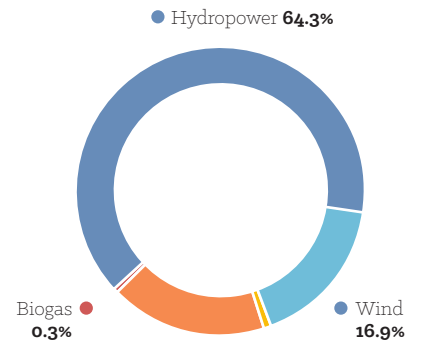
Renewable energy benefits

The MENA region is undoubtedly well suited for the expansion of renewable energy technologies. Their implementation holds significant benefits: beside the security of energy supply, the deployment of renewables would have positive impacts on cost competitiveness, energy savings, carbon dioxide emissions and employment.

Renewables can play a significant role in securing access to energy. They can help alleviate the fluctuation of energy generation costs since their production cost is stable, unlike fossil fuel prices that tend to fluctuate due to external factors. Renewables can also help reduce energy import dependency, which in turn lowers reliance on external factors that may threaten the availability of supplies.

Renewables can be an economically viable source of energy in the long term unlike fossil fuels. Even though non-renewables appear cheaper, many costs, such as the environmental costs, are not reflected in their consumer price, which constitute a burden both economically and socially for MENA region countries in the long term.[12] Indeed the negative impact of non-renewable sources on the environment requires costly adaptation and mitigation measures. Moreover, there is a great potential for technology developments in the future that would make renewables more cost-competitive. MENA's vast potential for renewable energy can provide important energy savings. Renewables can meet the region's energy needs as well as generate additional export earnings, thereby increasing their incomes. Europe could be a potential customer given its proximity. Indeed, "in order to meet 15 percent of the European electricity demand, only less than 0.2 percent of the area suitable for CSP installations in the MENA region would be required".[13]

Primary renewable energy supply in the MENA region (2016)*



*except biofuels

Data: International Renewable Energy Agency (IRENA)

Renewables can help stabilize or reduce the CO_2 level in the atmosphere. The use of energy from fuel combustion, particularly in the electricity and heat generation sectors, is the largest source of greenhouse gas emission in the atmosphere. In 2014, the MENA region accounted for 6 percent of the total CO2 emissions and Iran and Saudi Arabia were among the top ten CO_2 emitting countries in the world.[14] Consequently, the increasing use of fossil fuels will contribute to an upward trend in CO_2 emissions. Therefore, if MENA region countries can meet their renewable energy targets, nearly 84 and 482 Mt of CO_2 are likely to be avoided in 2020 and 2030 respectively.[15]

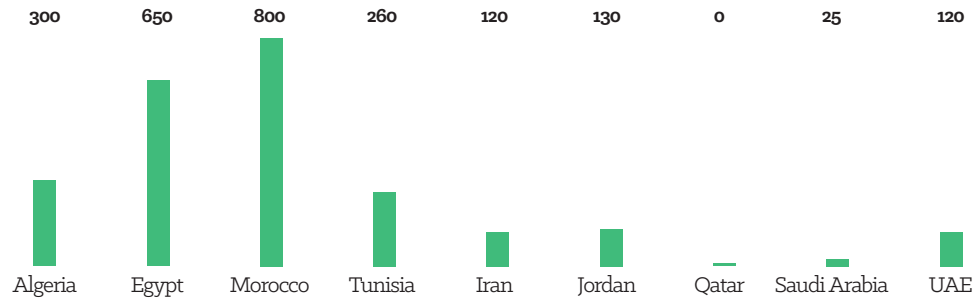
The deployment of renewable energy can also greatly contribute to job creation in a region struggling with high unemployment rates. It could provide employment opportunities for skilled and unskilled labour in research and development sectors, manufacturing, assembly, construction and maintenance. Solar

RENEWABLE ENERGY IN THE MENA REGION

Primary renewable energy supplies (TJ), 2015

	Total RE except biofuels	Hydropower	Wind	Solar PV	Solar Thermal	Biogas	Electricity	Charcoal
Morocco	18,633	6,998	9,476	109	1,929	121	2,699	0
Algeria	2.242	523	69	49	1,601	0	0	0
Tunisia	2.386	248	0	170	1,968	0	-2	0
Egypt	58,167	49,759	5,198	154	3,035	21	-214	-2,623
Jordan	5,381	189	443	150	4,530	69	60	200
UAE	2,931	0	5	237	2,624	65	0	4,186
MENA region*	89,740	57,717	15,191	869	15,687	276	2,543	1,763

Renewable energy capacity in the Middle East and North Africa, excluding Hydro (MW), 2015



MENA net renewable capacity additions by technology and country (2015-21)

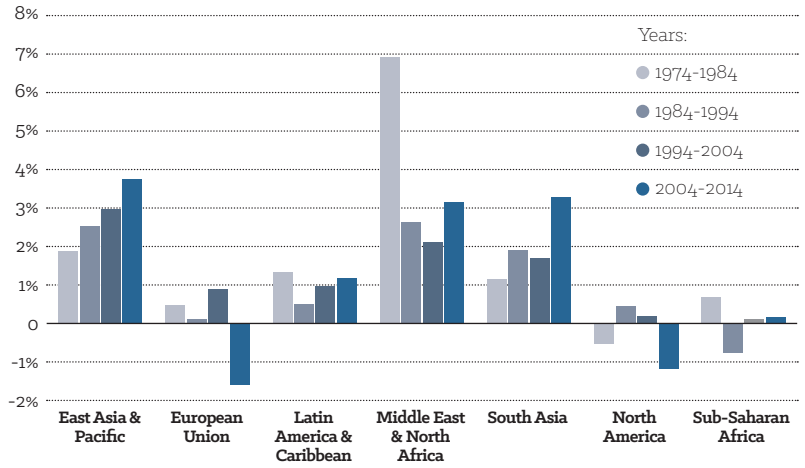
	GW
Other	1.9
Hydropower	4
Solar PV	8.1
Wind	4

	Other	Hydropower	Solar PV	Wind	Total
Morocco	5%	1%	16%	36%	18%
Algeria	34%	4%	12%	21%	13%
Tunisia	17%	0	20%	1%	11%
Egypt	10%	0	11%	10%	8%
Jordan	34%	95%	41%	32%	50%

*Data available only for Morocco, Algeria, Tunisia, Egypt, Jordan and UAE

Data: IRENA, OCP Policy Center, IEA

Trends in energy use, compound annual average growth rate



Data: World Development Indicators

PV would account for the largest share of jobs with 41 percent by 2030, followed by wind (28 percent) and CSP (22 percent).[16]

Need of reform

Renewables hold significant long-term economic, environmental and social benefits compared to fossil fuels. The development of renewable energy technologies in MENA countries would thus offer a valuable opportunity to diversify their economies and increase energy security. However, the full deployment of renewables requires the adoption of appropriate policies and reforms at national level.

The establishment of a favourable framework to renewable energy development is crucial. Mandatory targets should be set and backed with energy roadmaps in order to inform both the population and investors of government engagement and allow a transparent market. A progressive phasing out of subsidies to conventional energy sources must be considered to guarantee a more level playing field for renewables. This process should be carried out gradually and adapted to each country's socio-economic context. **An accurate assessment of renewable energy infrastructure needs to be conducted** to assure the adequacy of infrastructure policies with the requirement of renewable technologies such as electricity penetration. Access to lower cost of finance would help assure a large deployment of renewable energy technologies. The involvement of international financial institutions and commercial banks is needed to provide loans for the construction of new projects, thus ensuring sustainable and long-term development.

#med2017
solar energy has the greatest potential, with costs among the lowest in the world and an impressive pipeline of projects.

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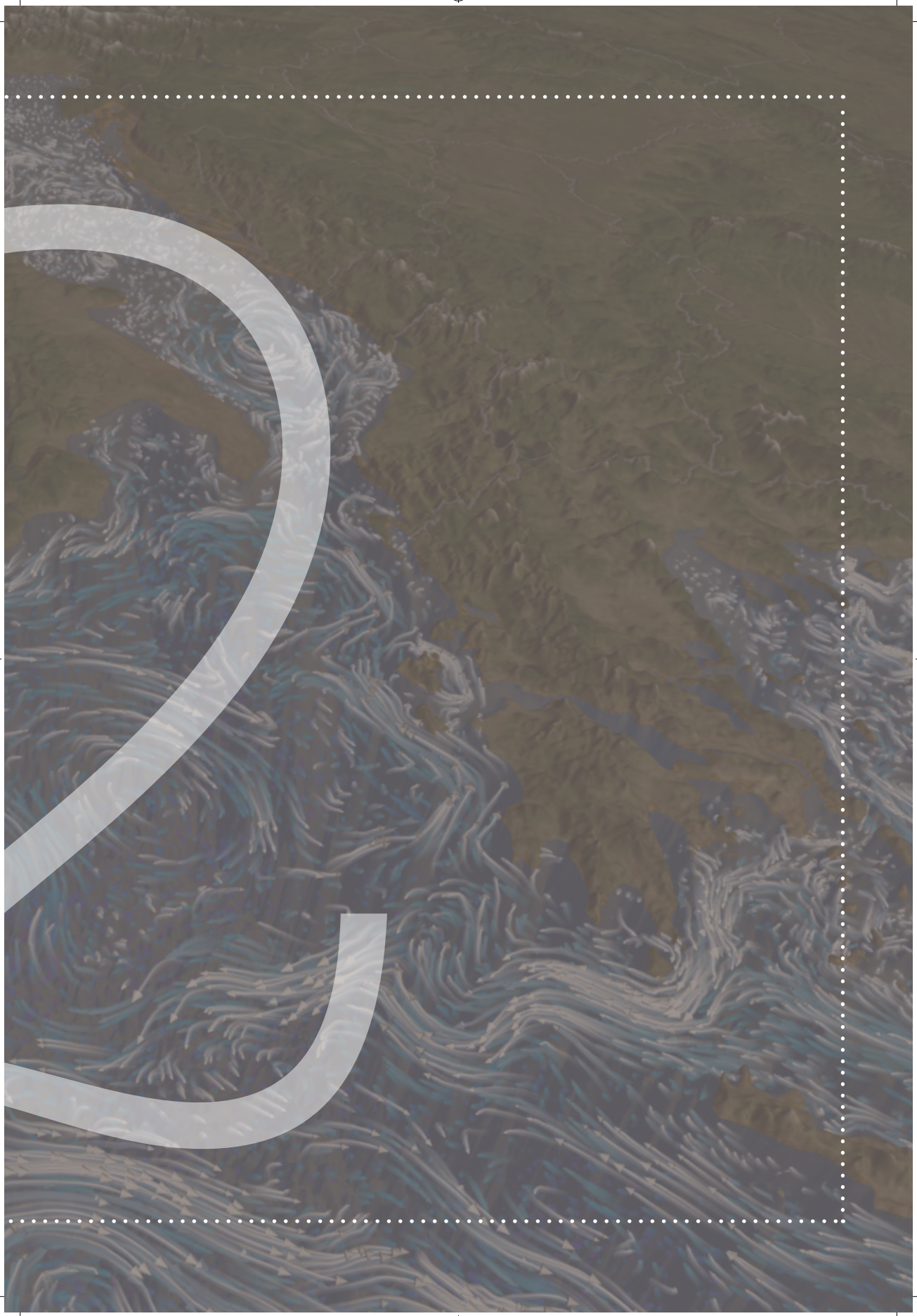
PART 4

CHALLENGES

PHOTO: MEDITERRANEAN CURRENT FLOWS // NASA



1

SHARED SECURITY

1.1

Radicalisation and counter-terrorism in the era of the Islamic State's metamorphosis

Lorenzo Vidino
Head of the Radicalization and International Terrorism Centre, ISPI and Director of the Program on Extremism, George Washington University

SHARED SECURITY

As the self-declared Islamic State slowly but steadily loses ground in Iraq and Syria, questions about what lies ahead are of paramount importance. Without clairvoyance, it is clear that countless factors will influence future developments, which are likely to differ significantly from region to region. In the territories previously occupied by the group in Iraq and Syria it is likely that Daesh will revert to what it was in its early days, some ten years ago: a lethal insurgent force using tactics ranging from pure terrorism to guerrilla warfare. Its priority will be to regain the territory it has lost (something it might occasionally be able to do in some areas) and undermine the Iraqi government and the various forces it is battling in Syria by exploiting sectarian tensions.

Daesh's increasing decentralisation

Globally it is likely that, with time, Daesh will become a more decentralised, amorphous organisation operating in a more asymmetric fashion. Some of its leaders and cadres might relocate to bordering countries, posing serious challenges to the security and, in some cases, the stability of the local regimes. Daesh might also rely more on its affiliates worldwide. The group has established official provinces (*wilayat*) in Libya, Afghanistan, Yemen, the Sinai Peninsula, the North Caucasus, and East Asia and small groups worldwide have pledged allegiance to Abu Bakr al-Baghdadi. Many of the regions where Daesh affiliates operate are ungoverned territories or, at best, rife with the conditions conducive to full-scale insurgencies. Clearly, varying local factors in each of these areas can drastically increase or reduce the chances of a regional Daesh resurgence, and the organisation's devotion to each region in terms of strategy, resources, and ideological investment varies. However, a situation where Daesh invests considerable support in its affiliate organisations could escalate already simmering conflicts in several countries around the world and the group's ability to plan attacks from there.

Many Daesh operatives might also establish clandestine networks in more politically stable countries in the region and engage in terrorist activities with the goal of destabilising them. Tunisia, like several other North African countries, is particularly vulnerable to this risk because of the massive Caliphate-bound mobilisation of its citizens. Gulf countries might also experience this blowback. In addition, Russia, the Caucasus, and various Central Asian countries are also areas of concern, especially considering the large number of foreign fighters they have provided to Daesh and the prominent role they have played on the battlefield.

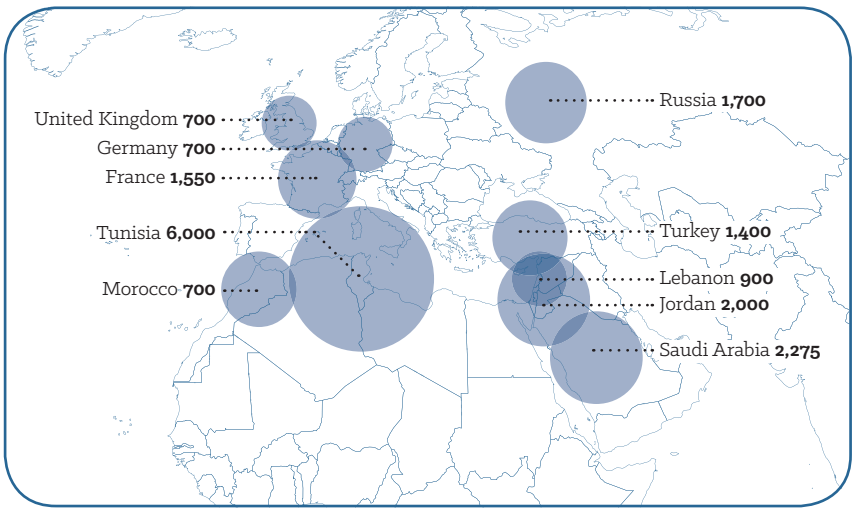
The treath to Europe

A critical concern for counterterrorism authorities is that Daesh members fleeing Syria and Iraq, particularly those holding European passports, will travel to Europe. While figures vary, the most reliable estimates suggest that 6,000 European residents have joined Daesh in Iraq and Syria. It is clear that a number of these 6,000 will either die or be captured in Syria/Iraq, be captured while trying to leave Syria/Iraq, or be arrested while entering Eu-

51
terrorist attacks in Europe and in the US, 2014-17

6,000
Europeans that have joined Daesh in Syria and Iraq

WHERE MOST FOREIGN FIGHTERS IN IRAQ AND SYRIA COME FROM



GEOGRAPHY OF ATTACKS IN EUROPE AND THE US (2014-2017*)

Europe: **63% of attacks** | North America: **37% of attacks**

	Attacks	%
France	17	33%
United States	16	31%
Germany	6	12%
United Kingdom	4	8%
Belgium	3	6%
Canada	3	6%
Denmark	1	2%
Sweden	1	2%

North America: **32% of attackers** | Europe: **68% of attackers**

	Attackers	%
France	27	42%
United States	18	28%
Germany	7	11%
Belgium	5	8%
Canada	3	5%
United Kingdom	3	5%
Canada	1	2%
Sweden	1	2%

Data: Homeland Security Committee
*as of August 2017

65
attackers in Europe and in the US, 2014-17

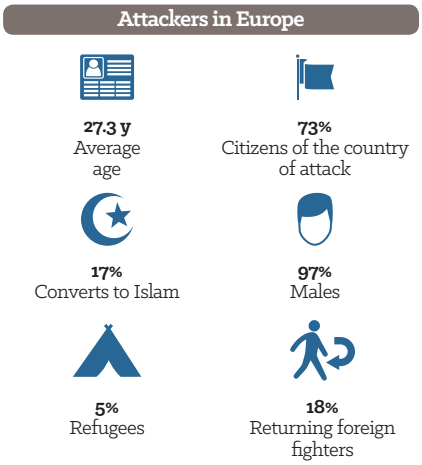
rope. However, it is also equally clear that not all will. Some will come in illegally or posing as refugees, as demonstrated by the path into Europe taken by some of the November 2015 Paris attackers. Some will return legally, often using their genuine European passports.

Detecting returning foreign fighters is only one of the challenges facing European counterterrorism officials. An entirely different, yet not less daunting challenge, is determining what to do with those identified upon return. European authorities have experienced enormous problems in finding appropriate legal tools to deal with returning foreign fighters, being oftentimes unable to charge them with any offence (the recent disclosure by the Home Office that only 54 of the 400 British foreign fighters who have returned from Syria/Iraq have been convicted of an offence is troubling but hardly unique).[1] Given these difficulties, the need for rehabilitation programs is particularly urgent. Yet returning foreign fighters are not the only threat to European security linked to Daesh. A recent study by the Italian Institute for International Political Studies (ISPI) and the George Washington University's Program on Extremism showed that, of the 65 attackers who carried out the 51 attacks perpetrated throughout Europe and North America since June 2014, only 18% were returning foreign fighters.[2] The majority of the perpetrators were individuals who, while possessing only loose or no operational connections to the group, had embraced its ideology.

This dynamic strongly suggests that, even in the face of a complete loss of territory, the Daesh brand and the emotional appeal of its declared Caliphate are unlikely to vanish any time soon. Despite critical challenges, the organisation's remarkable digital presence, the so-called virtual Caliphate, rekindles commitment to its cause among sympathisers worldwide and prompt some to carry out terrorist attacks in its name.

Tackling the global jihadist movement

It should be noted that various indications also point towards a resurgent al-Qaeda. Despite its uneasy relationship with al-Qaeda



Central, Jabhat Fateh al-Sham (previously known as Jabhat al-Nusra) has quietly but surely carved out a de facto mini-state in parts of Syria. Furthermore, al-Qaeda in the Arabian Peninsula (AQAP) has been experiencing ups and downs during the ongoing Yemen war, and while it no longer controls a sizeable region (as it did at some point), it is still a vibrant branch of the global organisation actively planning attacks against the West. There are also rumours of a revamped leadership structure within al-Qaeda Central. While all these dynamics need to be carefully assessed, it would be erroneous to treat al-Qaeda as obsolete.

The counterterrorism community is currently debating what the relationship between a declining Daesh and a seemingly resurgent al-Qaeda is and will be. Over the last few years the competition between the two groups has played out on a global scale. It is not currently clear whether these dynamics will continue or whether, as some have argued, the two groups, having a common history, ideology and aims, will reconcile their differences, work together, and even merge. It is also likely that these dynamics might play out in different ways in different places. Understanding and eventually exploiting the complex and ever-fluctuating chasms within the global jihadist movement is crucial.

What is clear though is that what has faced, is facing and will be facing the security of the

global community in the future is not a group or a collection of groups, but rather an ideological movement, the global jihadist movement. This movement is not homogenous, but rather plagued by divisions and rivalries. Ultimately, however, it has a clear vision and is guided by a strong doctrine. Daesh is just the latest and arguably most successful incarnation of this movement. Daesh's vicissitudes are hugely important in shaping the future of this movement. But even its hypothetical demise is unlikely to cause the end of the global jihadist movement.

It is exactly because of the paramount importance of the ideological component that tackling the ideology that motivates Daesh, al-Qaeda, their affiliates, and unaffiliated jihadis worldwide is crucial. Over the last few years the general attitude has been somewhat timid in fighting this admittedly daunting battle. There are encouraging signs from the Middle East, where various countries (even some that had previously not recognized the problem or had even contributed to its expansion) have engaged in a full-fledged ideological battle against not just Daesh, but the broader Islamist ideology as well. Likely, these efforts will not bear fruit for a number of years as the jihadist ideology has been sustained for and solidified by countless socioeconomic, religious, and political factors. And while this complex battle has multiple, overlapping layers, it is noteworthy that most Middle Eastern countries recognise that religious engagement is one of its key aspects.

At the tactical level, more immediate results can be achieved through a combination of international and local efforts. Of the many, three need to be emphasised.

• **Improve information sharing among intelligence and law enforcement agencies.** Information sharing among counterterrorism agencies worldwide about networks and individuals known for or suspected of links to various terrorist groups is crucially important. Ideally that exchange would take place in a speedy and complete fashion inspired by the principle of global cooperation against a common threat. However, in reality, countless factors, including political rivalries and bureaucratic sluggishness, make information sharing, even among close allies, very challenging. The problem exists not just at the international level but also within most countries, where similar problems hinder the effective circulation of relevant information among various agencies.

• **Increase resources for law enforcement and intelligence agencies**. The vast majority of terrorist attacks carried out in the West over the last few years were perpetrated by individuals known to authorities. In most cases these individuals had appeared on the authorities' radar only peripherally and were not regarded as high priority. One of the main reasons why officials cannot conduct further investigations and surveillance on known extremists who have not yet crossed the threshold of criminally relevant behaviour is the limited resources they possess in order to keep tabs on a burgeoning number of jihadist sympathisers. An increase in resources will not constitute a silver bullet but will allow authorities to expand the number of known extremists it can monitor.

• **Implement Countering Violent Extremism (CVE) initiatives**. As it is now almost universally accepted throughout the counterterrorism community, repressive methods alone are unlikely to defeat terrorism. Whether they entail counter-messaging campaigns, grassroots activities or tailored interventions aimed at de-radicalising specific individuals, CVE activities are a necessary complement to traditional counterterrorism work. They are hardly infallible and indeed many need to be perfected (and some, to be honest, completely scrapped). It is clear that CVE programmes will not always work, and realistically, the goal of CVE should be threat reduction, not threat elimination. However, it has also become increasingly clear that CVE needs to be part of any comprehensive counterterrorism strategy.

Albeit ever-morphing, the threat posed by terrorism and extremism is likely to confront the international community. Because of its nature it requires a nuanced, multi-layered and transnational response that must recognise international cooperation as its cornerstone.

#med2017
the global community in the future will not face a group or a collection groups, but, rather, an ideological movement, the global jihadist movement

Facing new security challenges in the south of the Mediterranean

Ziad A. Akl
Director of the Program for the Mediterranean and North Africa Studies, Al-Ahram Center for Political & Strategic Studies

Recent developments in the region have stripped the Islamic State (IS) of a significant part of its presence, influence, and territory. Whether in Syria, Iraq, Libya or Sinai, the geographical presence of the Islamic State has been shrinking, its territorial control over cities and resources significantly reduced. However, with the presence of various prevailing conditions in the south of the Mediterranean region, Islamic State's losses in one country do not necessarily and inevitably mean the group's termination. In fact, it bears more risks of group re-location and transformation due to the fragile conditions under which the region presides.[1]

Loss of territorial control: expected pattern changes

Territorial control for the Islamic State was not a mere strategic gain, it was rather a tool through which the Islamic State managed to create its image, its strategic agenda and its international presence. The Islamic State's control over parts of Iraq and Syria was used in the propaganda manufacturing process that the group relies on in both recruitment and in diffusing its repertoire. However, the magnitude of territorial control has been systematically reduced over the past two years. In a report issued by the IHS conflict monitor in June 2017, it is believed that the Islamic State has lost territorial control over 60% of the territories it occupied in both Iraq and Syria in January 2015.[2]

In addition, loss of territorial control has directly influenced the amount of revenue that the Islamic State can secure, whether from selling oil, kidnapping, taxing or confiscating. ICSR figures show that the yearly revenue of the Islamic State was $1,890 million in 2014, down to $1,700 million in 2015, and further down to $870 million in 2016.[3] For a group for whom territorial control was so crucial in planning out strategy, the loss of territorial control is likely to create a change of pattern with which the group operates.[4]

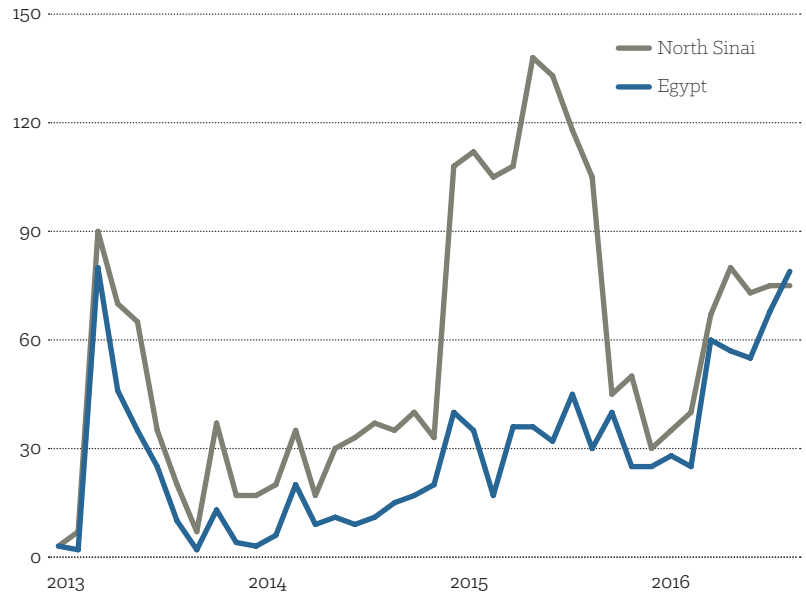
The expected changes in pattern will include the coping strategies that the Islamic State will employ to adjust to the new geo-political reality. With reduced territorial control, the group is more likely to aim for micro-targets rather than macro ones. Loss of territorial control, with all the losses in authoritative and bureaucratic functions it entails, will make the group focus on targeting small-scale operations rather than aspire for the building of an Islamic State. Similarly, to compensate for the loss of resources, the group will most likely increase its involvement in trafficking-related activities, which in turn signals an alert for an Islamic State relocation in Libya as a transit country within all forms of trafficking activities. Because of the loss of both territorial control and economic resources, the Islamic State will most likely focus on urban terrorism in the coming phase, due to the relative ease of access to vital urban targets and comparatively less logistic sophistication required in carrying out urban attacks.

The Islamic State's change in pattern of operation puts higher risks on countries that enjoy political stability within the region, whether north or south of the Mediterranean. Unlike the past few years, conflict zones in the south of the Mediterranean like Syria, Iraq, Sinai and Libya are expected to focus on exporting threat to more stable zones rather than attempting to magnify domestic sovereignty. Consequently, urban targets in North Africa and Europe are likely to be high on the prioritised targets list of the Islamic State at the current moment.

2,814
terrorist attacks in Egypt (2013-2017)

1,981
deaths by terrorism in Egypt (2013-2017)

Number of attacks in Egypt and Sinai



Data: Armed Conflict Location and Event Data Project (ACLED)

Push and pull factors of radicalisation in the region

Despite the territorial losses, the Islamic State benefits from the presence of push and pull radicalisation factors predominant in the region. Lack of democratic pluralism and the frequent cases of state violence or hostility towards political opposition in the south of the Mediterranean still act as a potential breeding ground for further radicalisation. Parallel to that, political instability and lack of effective state institutions in areas like Libya, Syria and Iraq expands the sphere of influence that radical groups can act within, which in turn constitutes a pull factor to radicalisation expressed through the group's recruits from the region. Therefore, despite the strategic losses the Islamic State has suffered, the surrounding environment allows for the group's adaptive transformations to easily eradicate the possibilities of group termination.

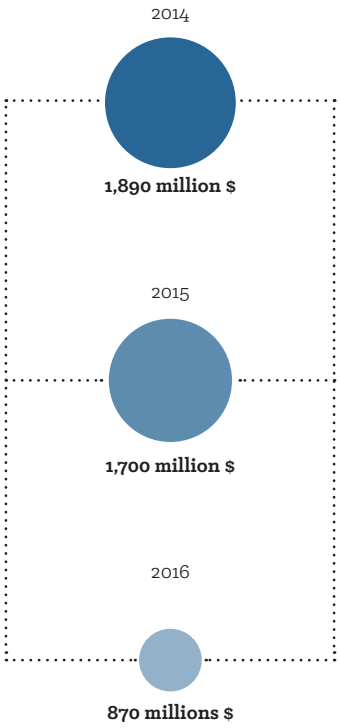
Manifestations of new threaths

The expected transformations in the operative strategies of the Islamic State will pose several new security threats to the Mediterranean region. Dismantling the territorial infrastructure in Syria and Iraq strongly points to the phenomenon of returning foreign fighters. Returning foreign fighters are a crucial aspect of the Islamic State metamorphosis in the Mediterranean region. Countries like Egypt, Tunisia, Jordan and Morocco have significant numbers of fighters enlisted within the ranks of the Islamic State, a return influx of those fighters will pose a few threats to the south of the Mediterranean region, in addition of course to the threat posed to the north of the Mediterranean by returning radicalised members of diaspora communities. The return of foreign fighters poses two questions: first, the passive vs. active returning fighters, and second, the criminalising vs. reintegration dilemma. The presence of local cleavages for the Islamic State in areas like Sinai and Libya increases the possibilities of an active return of foreign fighters back into terrorist activities. Simultaneously, southern Mediterranean countries lack efficient strategies of reintegration, which in turn makes it more attractive for foreign fighters to re-engage in terrorist activities. While the Islamic State stands at the verge

6,492
jihadists killed by Security Forces in Egypt (2013-2017)

97%
of which in the Sinai

Islamic State's revenues fall down



Data: ICSR

of re-location options, the Libyan south is put forth as a potential hub for this re-location process.[5] The ongoing east-west conflict in Libya has shifted focus away from the Libyan south. Libya, due to its geopolitical transit nature, has been used as a hub for trafficking, specifically through the connections the Libyan south border has with the West African Sahel. With the absence of sufficient legitimate military power, and the presence of networks connecting militias to terrorist groups to trafficking criminal organizations, the Libyan south is in grave danger of becoming a new recipient hub for a transformed version of the Islamic State. Meanwhile, countries in the south of the Mediterranean are likely to face more politicised violence because of the Islamic State transformations. Targeting churches in Egypt or tourist sites in Tunisia is more likely to witness an increase. Such operations have greater political impact than operations done in non-urban periphery locations.

The wider regional implications

All the given facts point to an upcoming transformation within the operative strategy of the Islamic State. Meanwhile, the ongoing regional political developments still constitute an attractive environment for further radicalisation. So far, coordination between international attempts of countering terrorism and local ones in the region has been minimal. The transformation to non-territorial terrorism requires an elaborate fusion of concepts of both hard-core security and human security. Development of remote areas like the Sinai in Egypt and south-east Libya is a must to face the transforming security threats the south of the Mediterranean faces now. Similarly, working on facilitating political pluralism in non-conflict countries in the region is of equal importance. Finally, reaching efficient frameworks of political settlement, specifically in Syria and Libya, will allow for an opportunity to unite efforts aimed at countering terrorism, whether international or domestic ones. The south of the Mediterranean is witnessing signs of transformation of one of its major security threats. However, there are a number of options that could be used to counter the metamorphosis of the group in the region. The anticipated group re-location requires a higher degree of regional coordination concerning border security. Regional coordination should also be extended to building a shared database of jihadists. Countering the transformation of IS will also require more regional pressure on political settlement procedures in zones of conflict, specifically Libya. The international coalition fighting IS will need to focus more on logistic and intelligence support because the territorial losses and the phase of transformation will make large-scale military operations less effective in countering the group's new tactics. The transformation of the group requires transformation within the countering strategies in the region.

The path towards radicalisation: a Tunisian perspective

Emna Ben Arab
Non-Resident Fellow, ITES and Professor, University of Sfax

Before the Syrian crisis and the flocking of an impressive pool of Tunisian men and women to Syria and Iraq to fight with the Islamic State organisation and other terrorist groups, radicalisation – as a process that leads to and includes a violent form of action – was a marginal notion in academia as well as in political debate in Tunisia.

The high-profile attacks and political assassinations imputable to jihadism between 2012 and 2015 and the return of foreign fighters after the territorial contraction of IS spurred public anxiety and made radicalisation a national security concern and a key notion for understanding the different stages that an individual goes through eventually spiralling into violence and becoming an active terrorist. Approached as such, jihadist radicalisation has been handled within a repressive and intelligence-centred strategy. This strategy focuses on quick fixes through a series of piecemeal security-focused policies (legislation monitoring charity associations, surveillance of homegrown networks and sympathisers, travel ban), rather than on solutions based on an integrated approach that places this multi-dimensional threat within a broader perspective. This entails providing an immanent explanation for issues of social identity, economic and social exclusion, new forms of acculturation and deprivation of political channels of expression.

Understanding radicalisation

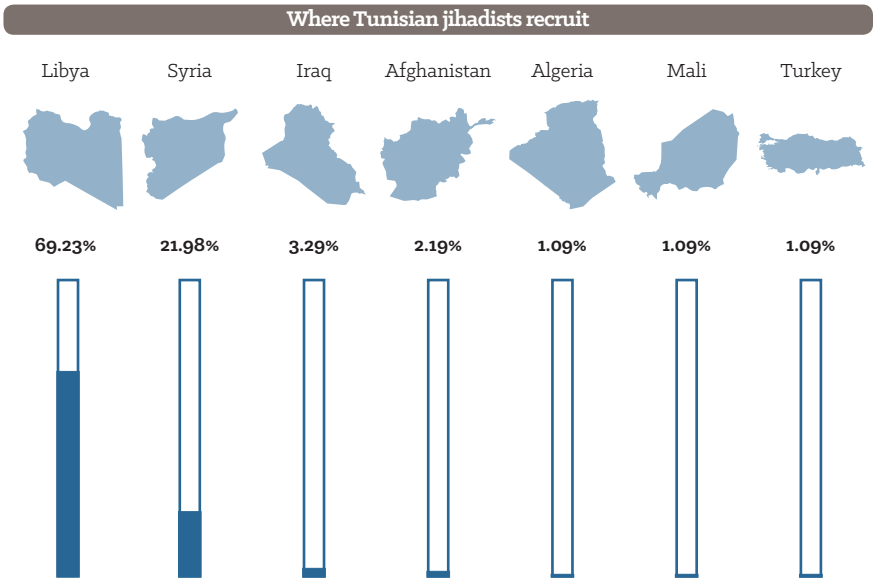
Drawing on a study conducted by the Tunisian Institute for Strategic Studies, titled "Assessing the Threat Posed by Tunisian Foreign Fighters" (forthcoming, December 2017), tentative explanations of radicalisation in Tunisia and the seemingly sudden and unprecedented shift to political violence could be identified. The study was based on personal interviews conducted with an overall terror-convicted population of 83 (80 men and 3 women) among whom 58 individuals had attempted to travel, travelled, or expressed their intention to travel to conflict zones, or, while being prevented from travelling, had perpetrated terrorist attacks in Tunisia during the period 2011-2016. While socio-economic grievances (unemployment, poverty, bad governance) and populist pan-Islamism, which for a long time propagated an alarmist discourse emphasising external threats to the Muslim nation, seem to be necessary factors in the radicalisation process of all interviewees, they were never sufficient to explain the phenomenon.

The study has shown that an explosive mix of injustice, exclusion and stigmatisation was decisive in the radicalisation process of most interviewees. A strong feeling of injustice coupled with a deep-seated feeling of hatred toward the police and security forces was emphasised. Most of them evoked their experiences of injustice and abuse by authorities which had driven them toward embracing the Islamic State as being the land of rights and justice. In fact, in prioritising their belonging to an entity or group, very few mentioned Tunisia in the first place or at all. Their frustration with political authorities mainly during the Troika period was repeatedly underscored. Most of them mentioned by name political parties and politicians who encouraged them to travel to Syria, which was portrayed to them as an act of inward solidarity that was neither unethical nor illegal. Most of them claimed they were, therefore, unaware that fighting in foreign wars or liking/sharing a terror group's Facebook page was a crime.

Western intervention in the MENA region was a primary source of anger and grievance for them. They all deprecated the perceived

17,000
new NGOs created since 2011

6,000
Tunisians among the ranks of jihadist groups in Syria, Iraq and Libya



Data: Centre tunisien de la recherche et des études sur le terrorisme

double standards of the Western powers and decried the continued occupation of Palestine and the impunity of Israel, which remains a festering wound that makes the Islamic State look like a viable alternative to restore the greatness of the Muslim civilization.

Although the personal dimension (personal experiences, state of mind) assumes a great importance and helps explain the tendency of these individuals to become radicalised and to embrace ideologised violence,[1] the unprecedented rate of radicalisation in Tunisia seems to be the result of an objective situation that activated pre-existing motivations.

The Tunisian specificity

There are at least three facilitative causes, which are specific to Tunisia. Islamist-led governments between 2011-2014 provided a favourable political climate for radicalisation by turning a blind eye toward indoctrination campaigns, which included those in jails and mosques, as witnessed for a long time by the "occupy mosques" campaigns in hundreds of mosques under the influence of extremist jihadist imams. Similarly, the so-called "proselytising tents", a space for jihadists to hold meetings and distribute flyers and booklets, became a major public recruitment channel for the jihadists between mid-2011 and July 2013 when they were banned. As post-2011 Tunisia opened up to freedom and democracy, an unprecedented number of NGOs – up to 17,000 – were created. Of those, 48% did not abide by their declared scope and objectives and 19% operated under the cover of religious and charity organisations, funded by unknown sources, and serving as facilitators for arms and fighters smuggling, providing logistics for fanatical jihadist preachers to address and brainwash disillusioned young people.[2]

The post-uprising dismantling of the security apparatus led to the erosion of the security environment. One of the very first decisions of the post-2011 government was the dissolution of the secret service undermining domestic intelligence collection and information sharing. After the uprising this corps d'elite had become a target and came under attack for having propped up the previous regime for so long, which weakened their morale and affected their performance. The situation was aggravated by the new opportunities created for foreign figthers in Libya where an anarchic environment gave rise to greater freedom of movement, training and funding combined with the ready availability of weapons that proliferated in the lawless desert on the Tu-

200+
deaths caused by terrorist attacks in Tunisia since 2013

nisian-Libyan border, providing an extraordinary opportunity for extremists to train new recruits on their way to Syria.[3] The attackers of the Bardo Museum were returnees from Libya, where they were trained. Finally, it is worth noting that radicalisation as a process is not reducible to the micro-level of analysis, that is to the actors who partake in it. The macro- and meso-levels are important as they show that, though preconditions are related to profound grievances, they are triggered by environmental stimuli. Winning the war against radicalisation will require going a step further beyond the denouncement of terrorist activities, security-centred measures and military operations currently underway, to dismantling extremist ideologies through education and providing real alternatives for change and opportunities for the youth.

The way to radicalisation

Drivers of radicalisation among Tunisian jihadists

Influenced by:

Textbooks
46.34%

Relatives or friends
37%

Internet and social media
11.11%

Media
3%

Other influences
2.55%

Data: Centre tunisien de la recherche et des études sur le terrorisme

1.2 Through the strains: a viable roadmap for Libya?

Arturo Varvelli
Co-Head of the Middle East and North Africa Centre, ISPI

SHARED SECURITY

Six years after Qaddafi's death, the Libyan crisis has not been solved. The country continues to be divided between a parliament (and executive) in Tobruk and a Presidential Council (headed by Fayez al-Serraj) in Tripoli that is backed by the United Nations. In actual fact, neither have real governing capacity but they are rather "hostages" of the militias that support them and control the territory: General Haftar's in Cyrenaica and the associated militias of Misrata and Tripoli to the west, respectively. The militias who fought against Qaddafi developed diverging interests and found value in entrenching their control over cities and local villages. This led to a fragmentation of authority, the proliferation of militias, criminal organisations, and terrorist groups, which undermined any attempt to bring stability back to the country. Inevitably, the rivalry among the various factions dragged a series of external actors into the politics of Libya, which turned the country's conflict into a proxy war.

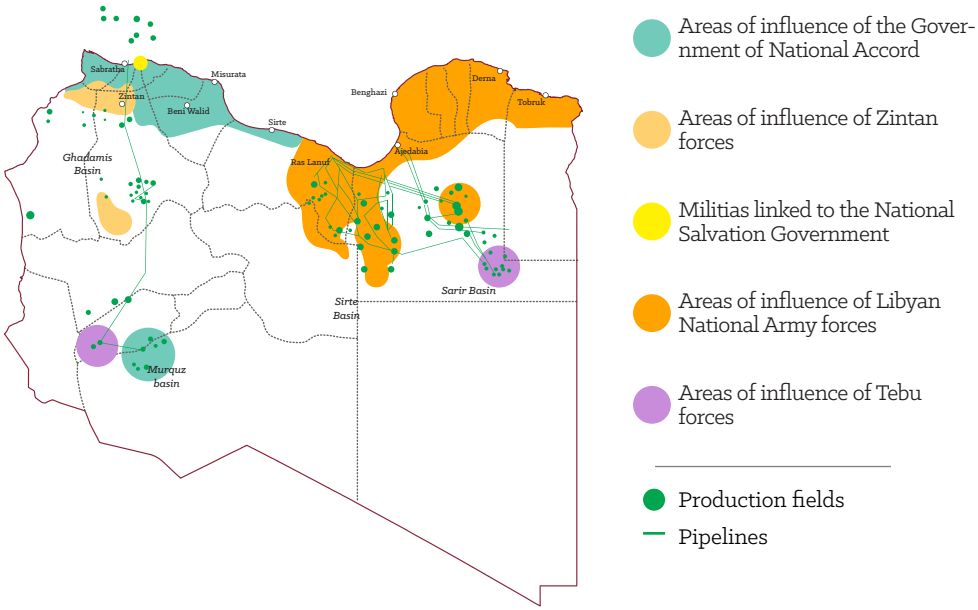
Regional interests and proxy war

The rivalry between domestic factions and their international supporters reached its climax in the summer of 2014, when the country was de facto split into two parts, one in Tobruk in the east under the control of General Khalifa Haftar and the newly elected House of Representatives (HoR), and one in the west led by Islamist/revolutionary leaning militia leaders and those in the city of Misrata. While in most cases the factional rivalries in Libya have local roots, they have been exacerbated by the interests of foreign actors. The United Nations and the European Union as collective organisations sought to reach a negotiated solution to the civil war, which culminated in the signing of the UN-sponsored Political Agreement (LPA) in Skhirat, Morocco, in December 2015. The LPA formed a Presidency Council (PC) and a cabinet, the Government of National Accord (GNA), led by Prime Minister Fayez al-Serraj. Despite major efforts at bolstering the PC/GNA, more often than not the United Nations and the European Union were undermined by the double-crossing of some of their members. In fact, while almost all states formally pledged allegiance to the UN-led process, many behaved differently on the ground.

However, over the last two years, the LPA has failed to take off and the weakness of the unity government is a result of the failure of UN leadership. The new UN Special Envoy Ghassan Salamé is trying to restore the credibility and effectiveness of the UN Support Mission in Libya (UNSMIL), first of all by amending the LPA. But a positive outcome is far from certain. The fragmentation of European actors in Libya, combined with the lack of interest expressed by the US administration in engaging in political efforts to stabilise Libya, have led to an imbalance in favour of Haftar. A series of meetings in Abu Dhabi, Paris and Rome have allowed Haftar to be formally equal to al-Serraj. Haftar has been able to gain a political role and the legitimacy it requires by presenting himself as the leader in the fight against Islamic terrorism and the emergence of radical groups in Libya. Haftar gathered around himself various groups concerned by the rise of radicals in the country. His narrative leveraged the fight against "Islamists" in his attempt to join the international campaign against IS and radicals in the region. Haftar appeared capable

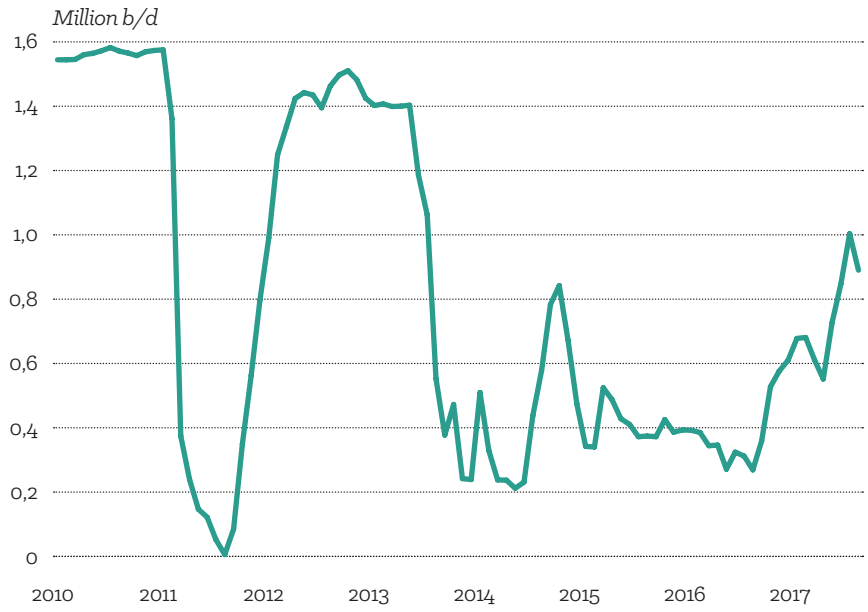
#med2017
over the last two years, the LPA has failed to take off and the weakness of the unity government is a result of the failure of UN leadership

THE DIVIDED LIBYA



LIBYAN INSTABILITY REFLECTS ON OIL PRODUCTION

Oil production in Libya (2010-2017)



Data: Bloomberg, ISPI

of coagulating around himself the consensus of the population, fearful of an extremist trend, especially in the city of Benghazi, and of countering the proselytism of the most radical groups. On the other hand, this attitude fostered a tactical convergence between radical militias and various political Islamist forces which, despite lacking ideological affinities, felt openly threatened.

The Libyan chessboard

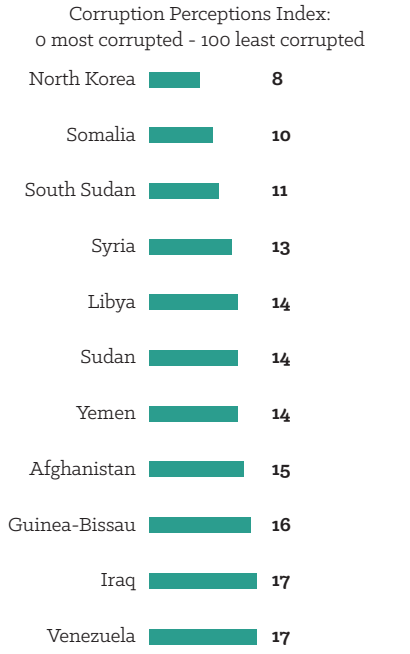
However, it would be incorrect to reduce the country's problems to the confrontation between Haftar and al-Serraj, as a number of other factors are currently affecting the Libyan scenario. In a context of evolving and transforming alliances between the various factions, it is unlikely that a single faction could militarily prevail over the others and unify the country under its control. Similarly, despite the system of alliances that allowed Fayez al-Serraj to become President, the PC does not seem to be in a position to fully control even the Tripolitania region in which it is based. A number of militias in Tripolitania appear more and more to be acting independently from the PC, even though they are formally part of it. Other important forces in Libya hold different and at times unpredictable positions. In the south, political and ethnic fragmentation dominates. The historical tribal order was overturned and the Qadhafa tribe, which led the region under Qaddafi's regime, suddenly left the door open to other groups. The disruption of the political and tribal order has generated repeated waves of conflict among Tebu, Awlad Sulaiman, Warfalla, and Tuareg tribes, all vying to control illicit trafficking. Tripoli authorities have sought to provide assistance, most significantly using Misrata's militias as a pacifying element but they have not succeeded, and the Fezzan region today is characterised by increasing fragmentation.

Relaunching the process of international political mediation

It has now become clear that the interests and operations of regional and international actors in Libya have become complex and pervasive at the same time. Upon closer inspection of these dynamics, it would appear that only coordinated action by the international community to insulate the country from competing regional interests in Libya's internal affairs would provide a chance to successfully reestablish order.

Internally international actors should promote and facilitate local dialogue. Discussions should concern the political recognition and inclusion of the leaderships of certain armed groups, trying to make them aware of their responsibilities, as well as those of the tribal communities they belong to, especially those with a history of marginalization. Mediation could be intensified on the levels of civil society, local representatives, and economic elites; nevertheless new negotiations involving especially key security actors are crucial. International community should collaborate with the local militias that are willing to support a new government produced by a revised LPA, and ultimately be incorporated into a professional, nascent armed Libyan force.

First 10 corrupted countries in the world



Data: Transparency International, 2016

#med2017
only coordinated action by the international community to insulate Libya from competing regional interests would provide a chance to successfully reestablish order

Presidential Council should be encouraged to adopt a policy to selectively allocate funding to the militias, in an attempt to establish a closer connection between financial support and the internal reintegration of the new national powers. The international community can also engage in training the Presidential Guard and other security forces on the ground. These efforts should be undertaken within a theoretical framework for a decentralization process that shifts functions and duties of the state from the centre to the periphery. For the purpose of gaining greater influence and legitimacy, local representatives could facilitate seeking solutions in exchange for an increase in income deriving from renewed oil production.

In parallel, the international community should strengthen the Presidential Council's (and new unity government) capacity to address the economic issues on the table (e.g. the banking liquidity, electricity and health care). The stabilization of the whole of Libya should start from the local level and move from the bottom-up. The establishment of a minimum level of security in the city of Tripoli, which by itself comprises almost a third of the population of Libya, could allow the PC/GNA to initiate a series of economic projects to repair Tripoli's infrastructure – such as restoring roads, rebuilding schools and hospitals that have been badly damaged by war and neglect, and repairing the power grid and electrical infrastructure – and restart economic activity in the city. Success in these endeavours could slowly and progressively, but consistently, be expanded throughout the entire country. Success in Tripoli could be replicated in every city and village in Libya, where local militias would join municipal security forces under the supervision of the central government and the support of the reconstituted national armed forces.

The success of this plan means the setting of a deterrent against Haftar's and others' ambitions to weaken the PC/GNA and pursue a military victory. It also entails rebuilding support among western militias, including those from Misrata, for the PC/GNA. In order to avoid further escalation, these militias would need to be convinced that a negotiated settlement, even one that would bring Haftar into the fold would not threaten their interests.

#med2017
the stabilisation of the whole of Libya should start from the local level and move from the bottom-up

1.3 The Gulf monarchies: disunited we stand

Valeria Talbot
Co-Head of the Middle East and North Africa Centre, ISPI

SHARED SECURITY

At the beginning of June, Saudi Arabia, the United Arab Emirates (UAE) and Bahrain, along with Egypt, severed diplomatic relations with Qatar. Additionally, strict economic and logistical restrictions have been imposed, including the blockade of land, air, and sea access to Qatar. Qatari officials and residents were expelled from the three Gulf states and Qatar was ejected by the Saudi-led military coalition in Yemen.

Saudi Arabia and its allies accused Qatar of financing terrorism and supporting Islamist groups, including the Muslim Brotherhood and Hamas, in addition to Iran. A list of 13 conditions[1] has been imposed to Doha in order to end the crisis and resume ties. For its part, Qatar has vehemently denied all charges and refused to comply with those requests. In spite of a months-long embargo, Saudi Arabia, UAE, Bahrain and Egypt proved unable to isolate Qatar. So far, attempts to mediate have not yet produced concrete results, and the risk of an escalation remains high. The crisis has raised serious concerns about the impact this will have not only on regional security and stability, but also on global energy markets as well as on Gulf states' efforts to diversify their economies.

Decades-long tensions

Different and often divergent interests and political agendas among Gulf Cooperation Council (GCC) member states have emerged over the years, in spite of the fact that the organisation is commonly perceived as a regional homogenous block. Qatar's independent policy, along with its growing regional assertiveness, particularly after the 2011 Arab uprisings, its support to Islamist movements, its close relations with Iran, and the practice of hosting Islamist and opposition figures have been firmly criticised by its Arab Gulf neighbours. In 2014 Saudi Arabia, along with UAE and Bahrain, had already withdrawn their ambassadors from Doha to put pressure on the tiny emirate. On that occasion, ties were reinstated after nine months, when Qatar accepted to expel senior Muslim Brotherhood leaders. But many questions remained unsolved and disagreements were simmering beneath the surface.

So, the recent crisis erupted against a backdrop of long-standing irritation with Qatar. Saudi Arabia, which has always played a leading role within the GCC, has frequently complained about Doha's independent foreign policy and its refusal to adhere to Riyadh's line. Disagreements between Saudi Arabia and Qatar have been occurring for more than 20 years – since the current Qatari Emir's father Hamad bin Khalifa al-Thani took power in 1995 after a coup d'état – but it has now reached an unprecedented high. Another bone of contention is Qatar's Al Jazeera TV station, which has represented both a crucial source of soft power for Doha and a critical voice vis-à-vis Arab autocrats since its establishment in 1996.[2] Criticism against the al-Saud royal family during an Al Jazeera TV debate was at the origin of the diplomatic rupture between Saudi Arabia and Qatar in 2002. On that occasion, ties were not restored until 2007.

Iran is a further source of discord among GCC monarchies. For a country that bases its economic wealth on hydrocarbon revenues – Qatar is the world's largest exporter of liquefied natural gas and the forth gas producer – cordial relations with Teheran are crucial. Indeed, the two countries share the largest

0.5%
GCC countries' projected GDP growth for 2017

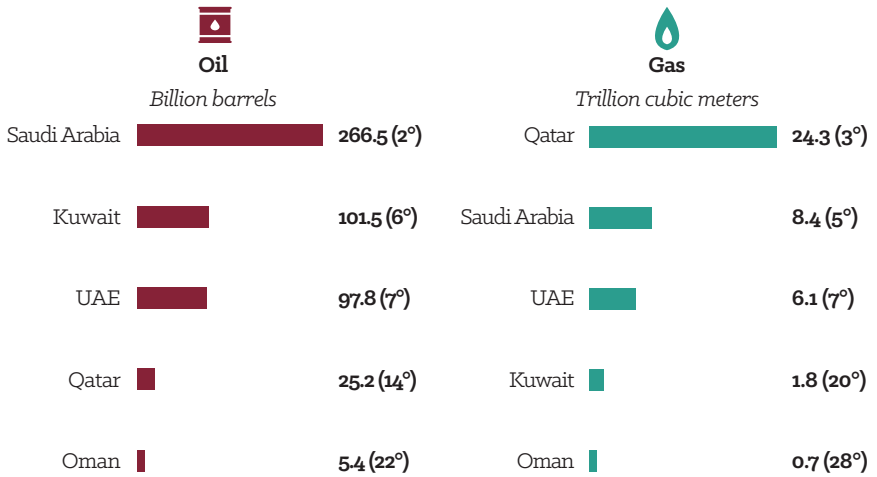
THE GULF AT A GLANCE

Major demographic, socio-economic and political indicators in the GCC countries

	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE
Population (million)	1.4	4	4.4	2.6	32.2	9.2
Urban population	88.8%	98.4%	78.1%	99.3%	83.3%	85.8%
Demographic growth	3.8%	2.9%	5.2%	3.5%	2.3%	1.3%
Population under 15 years	21.4%	22.6%	21.1%	15.6%	28.3%	14.1%
Migration rate (every 1,000 people)	21.7	133.0	269.7	162.6	26.9	44.2
GDP (billion $)	34	127	71	174	707	407
GDP growth	2.3%	0.0%	0.4%	3.4%	0.4%	1.5%
GDP per capita (thousands $)	52	71	46	129	55	68
Women employed (% on total women in working age)	38.9%	48.1%	30.1%	53.3%	20.1%	41.8%
Youth unemployment	5.6%	13.3%	50.8%	0.7%	31.2%	11.5%
Foreign reserves (million $)	4	34	20	32	547	85
Debt (% on GDP)	88.6%	19.8%	38.5%	50.2%	15.6%	19.1%
Trade balance (billion $)	3	15	0.4	26	42	41
Health expenditure (% on GDP)	5.0%	3.0%	3.6%	2.2%	4.7%	3.6%
Energy production (Ktep)	22	170	76	224	614	202
Energy consumption (Ktep)	14	35	24	40	192	70
Arms import (million $)	273	497	737	502	5,207	10,517
Military expenditure (% on GDP)	4.6%	4.8%	13.7%	1.5%	9.9%	5.7%

Data: World Bank

Oil and gas reserves of the Gulf countries (world ranking)



Data: British Petroleum

40%
of the world's oil reserves are in the GCC countries

23%
of world proven natural gas reserves are in the GCC countries

natural gas field in the world – the North Dome field that extends into Iranian waters, where it is called South Pars – that represents Qatar's most important economic resource. However, Doha's pragmatic approach towards Teheran clashes with the Saudi policy to contrast Iran's influence in the Middle East. Over the last years, Iranian-Saudi hegemonic competition has highly escalated, affecting regional dynamics.

In this context, after President Trump's visit to Riyadh last May and its overt support to the Saudi monarchy in fighting terrorism and countering Iran's influence, Saudi Arabia felt emboldened by this endorsement and proceeded to reassert its leadership role and to force Qatar to be more cooperative.

Towards a geopolitical reshuffle in the Middle East

Although this time Riyadh and its allies seem determined to secure significant concessions, tougher demands and escalating tensions have made a diplomatic solution much more difficult to reach. While from a Qatari perspective Saudi requests are unacceptable, attempts to isolate Qatar through sanctions have failed so far. Indeed, the tiny emirate has proved to be able to find alternative sources of supply and transport routes, thanks to the prompt support offered by Turkey and Iran that allowed Qatar to overcome the blockade. The Saudi supposition that Qatar was highly dependent on its GCC larger neighbour for trade and air transport proved to be incorrect. Moreover, contrary to Saudi expectations, the economic embargo produced a formal rapprochement between Doha and Teheran. In August, Qatar announced the decision to strengthen bilateral relations with the Islamic Republic in all fields and to send its ambassador back to Teheran.

This move is likely to open unexpected geopolitical scenarios in the Middle East. Qatar's deeper relations with the Islamic Republic might bring it closer to Iranian positions on thorny regional issues, especially on the Syrian front, where Doha might downgrade its involvement and reduce its support to anti-Assad forces. Furthermore, a new alignment, including Qatar, Iran, Turkey, along with Russia, is not so unlikely. However, it remains to be seen whether it would be a geopolitical axis or a tactical alignment, and what the implications on the regional context would be. Therefore, this crisis might turn into another failure of Saudi foreign policy after the intervention in Yemen. On other regional fronts, from Lebanon to Syria, Saudi Arabia is losing influence as well.

Against this backdrop, what is proving to be more and more evident is that the old geopolitical lines may no longer explain today's Middle East.

Economic implications

At the economic and financial level, the crisis is already producing negative effects and prospects would be gloomy, if tensions persist. In its Regional Economic Outlook released in October 2017, the International Monetary Fund (IMF) projected GCC economic growth at just 0.5 percent in 2017, saying that a prolonged rupture between Qatar and the other Gulf monarchies could further reduce growth prospects not only for Qatar but also for other GCC countries and across the region.[3] Although the growth slowdown is the result of fiscal measures and reforms adopted to foster economic diversification of these oil exporters, IMF warned that a protracted rift will "slow progress toward greater GCC integration and cause a broader erosion of confidence, reducing investment and growth, and increasing funding costs in Qatar and possibly the rest of the GCC."[4]

As a matter of fact, while Qatar was little affected by trade sanctions,[5] the crisis has produced financial pressures on the emirate because of the downgrading of its sovereign credit rating and outlook, raising interbank interest rates and leading to a decline in private sector deposits.[6] At first, the Qatari central bank injected liquidity to mitigate the impact on banks and public sectors deposits were increased. Qatar used $38.5 billion (equivalent to 23 percent of its GDP) to support its economy.[7] However, the longer the crisis persists, the more the cost of funding will increase. According to Moody's investors service estimations, around $30 billion were withdrawn from Qatar's banking system in the first two months of sanctions. However, this situation is damaging business confidence not only in Qatar but also in the other GCC countries, because of the deep economic integration among them and the great exposure of Saudi Arabia and UAE banking and business sectors to Qatar.[8] Furthermore, the prolonged uncertainty has a negative impact on the GCC business environment and foreign direct investment attraction, thus putting in question ongoing reforms towards economic diversification, a process that GCC oil monarchies have sped up after the fall in the oil price in mid-2014.

Overcoming the standoff

Undoubtedly, the Gulf crisis adds one more factor of instability to a highly volatile and troubled Middle Eastern region. It is likely that an escalation would have even more disrupting effects not only on GCC countries, but also on the entire region and beyond. Stability and security in the GCC monarchies – which control 40% of the world's known oil reserves and 23% of proven natural gas reserves – are crucial for both regional countries and international players. Mediation attempts have being carried out to end the months-long dispute. Although initially President Trump took the Saudi side, the United States, together with Kuwait that has maintained neutrality, has engaged significantly to heal the rift between its Gulf allies. The tiny emirate holds great strategic importance for Washington, as Qatar hosts the largest regional US military base, Al Udeid, which serves as a key strategic hub for military operations in the Middle East, not least against the Islamic State. As a long-standing guarantor of Gulf security, the US has a crucial interest in overcoming the standoff. But the interests at stake are numerous not only for the US. However, efforts to bring the parties to engage in dialogue have proved unsuccessful so far. Of course, the lack of trust between the parties and their divergent political agendas pose a further obstacle to mediation attempts.

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it is likely that an escalation would have even more disrupting effects not only on GCC countries, but also on the entire region and beyond

1.4 The Kurdish conundrum

Stefano M. Torelli
Associate Research Fellow, ISPI and Visiting Fellow, ECFR

SHARED SECURITY

Kurdistan is back as one of the most difficult issues to solve in the Middle East and, at the same time, as one of the most important theatres of events in the whole area.

To be sure, it is not even possible to talk about just one Kurdistan and it is highly misleading to treat all the Kurds as if they were one. Therefore, the main challenge when facing the so-called "Kurdish factor" is to differentiate the various Kurdish communities. In order to do so, it is crucial to understand their often diverging interests, which in turn determine different and conflicting systems of alliances all over the region.

The Kurds in the spotlight again

The main factor that contributed to pushing once again the Kurds in the spotlight has been the emergence and the expansion of the Islamic State (IS) between Iraq and Syria. The international community and the same regional actors have delegated to the Kurdish militias (namely the Peshmerga in Iraq and the militias of the YPG, People's Protection Unit, in Syria) the role of vanguard on the field against Daesh. It was thanks to the Kurdish fighters that, in Iraq as well as in Syria, IS has been partially defeated and forced to abandon important cities like Mosul and Raqqa. It was the Peshmerga that secured the oil-rich areas near Kirkuk in Iraq. Also, when public opinion all around the world celebrated the end of the siege of Kobane at the Syrian-Turkish border in 2015, it was essentially thanks to the Kurdish efforts that this became possible. At the same time, it became more and more clear that these efforts would come with a price to be paid by the international community and the regional actors. Inciting, arming and sustaining the Kurds also meant creating expectations. In Iraq, these expectations have translated into an official request for independence of the territories under the control of the Kurdish Regional Government (KRG) from Baghdad through the referendum held on 25th September. In Syria there is a growing perception that the conquered territories in the north of the country, in which the Kurds have inaugurated the experiment of a de facto semi-independent quasi-state under the name of *Rojava* ("west" in Kurdish language), could soon become a new example of Kurdish autonomy. Finally, in Turkey the Kurdish factor has vehemently re-emerged as one of the most important national security, political and social issues, characterised by a high level of violence that caused more than 3,000 deaths since the summer of 2015.

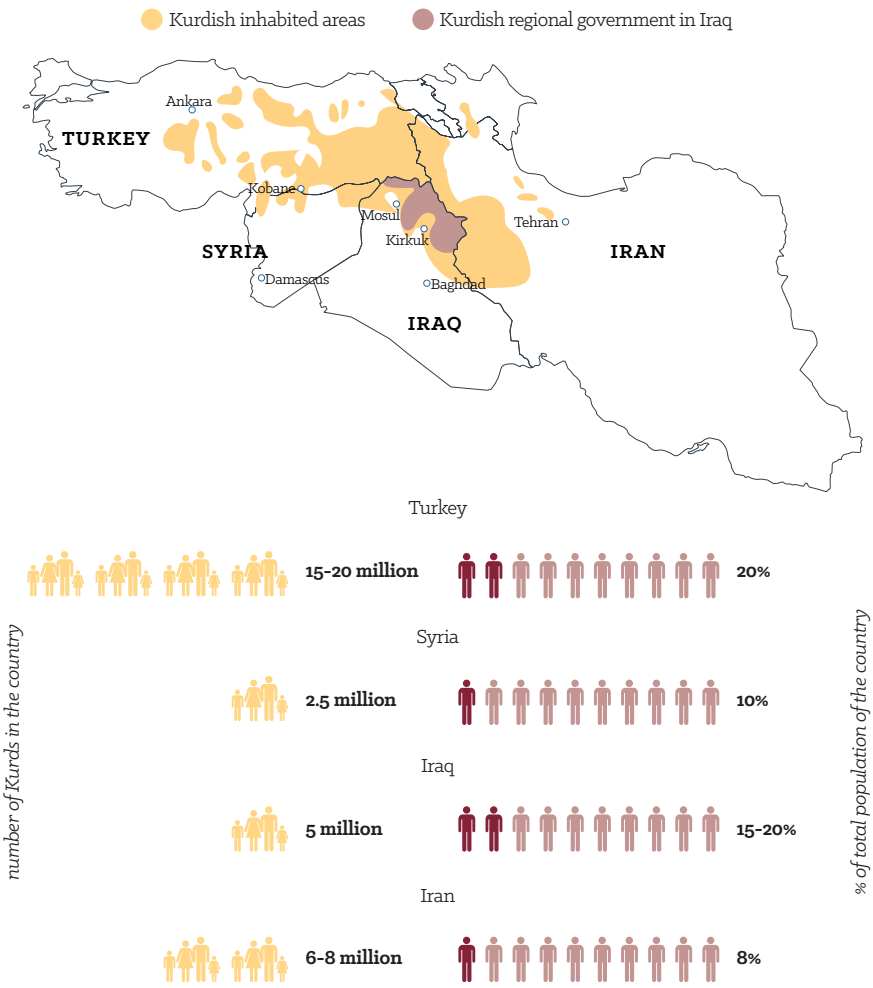
Across alliances, rivalries and miscalculations

How, then, to better understand and address the Kurdish issue? The first unknown is related to the outcomes of the referendum in Iraqi Kurdistan. Here, Barzani's gamble could turn into a boomerang. According to the internal oppositions, Barzani and his party, the KDP (Kurdish Democratic Party), called for the referendum more for internal political calculations than for ideological and nationalistic reasons.

After the referendum, the evolution of the situation on the ground in Kirkuk – with the Iraqi army intended to take control of the area and the PUK (Patriotic Union of Kurdistan) affiliated Kurds partially letting even external actors like the Iranians interfere – is just one of the examples of the instability that could be expected, as well of the divisions among the Kurds themselves. At the western borders

30-35 million
the estimated number of Kurds living in the Middle East

The distribution of the Kurds in the Middle East

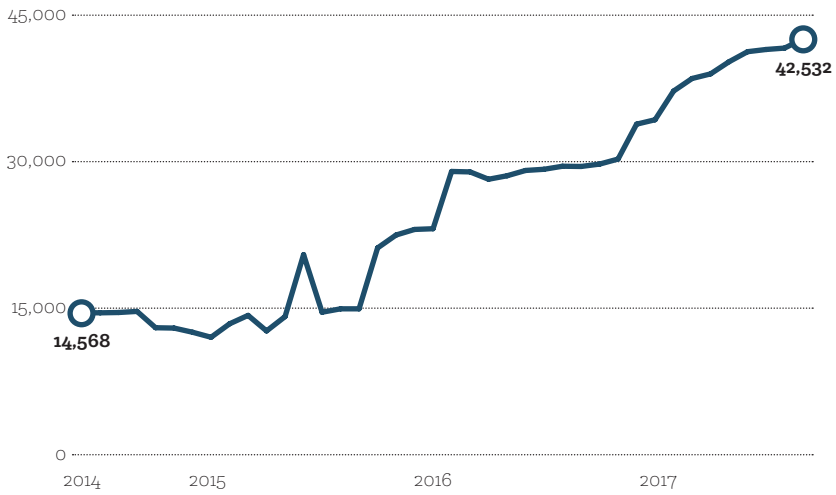


Data: Institut Kurde de Paris

of Iraq, the condition – and the future evolution – of the Syrian and Turkish Kurds seem to be closely connected. Once again, part of the problem is to be found in the miscalculations of the external actors that over the last three years have continued to sustain the Kurdish forces. Too distracted by the necessity to break down the Islamic State, most of them have fomented the Kurds as the only reliable partner in the direct fight against IS, regardless of the fact that this could alter the regional balances.

In particular, given the proximity of the Syrian Kurds with the PKK – which Turkey, the US and the EU consider a terrorist organisation –, Ankara has become increasingly worried by their territorial and political gains. In short, what is happening at the Syrian-Turkish border is one of the worst nightmares Turkey could ever have fathomed: the establishment of a semi-autonomous Kurdish entity. Moreover, this happened also thanks to the PKK, which in turn took advantage of this new situation and of the Syrian conflict itself to pursue its strategy aimed at creating a new safe haven where to organise its moves against Turkey while, at the same time, expanding its influence and its idea of

Territory under the control of Syrian Kurdish forces (in km²)



Data: Institute for the Study of War

$300 million

US contract signed in April 2017 providing weapons, vehicles, and supplies to Kurdish units in Syria and Iraq

10.75%

votes gained by the HDP in the last Turkish parliamentary elections

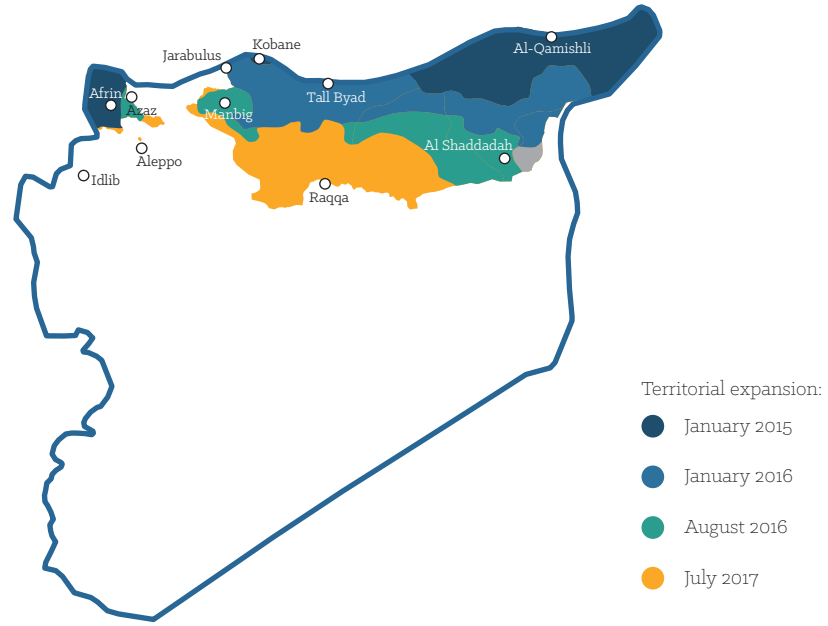
a "Kurdish democratic confederation" beyond the Turkish border. The combination of a confining proto-Kurdish State and the revitalisation of PKK activities, mixed with the internal difficulties that the AKP experienced in the aftermath of the June 2015 elections (when it failed to gain a parliamentary majority to the advantage of the pro-Kurdish HDP, People's Democratic Party), led Ankara to react.

The Turkish response to this change of the status quo has been multilevel. It implied political moves and military actions against the Kurds and it involved the external as well as the internal context. Actually, Turkey undermined the efforts of the international coalition against the IS, since hitting the PKK-linked Syrian Kurds meant weakening the West against the jihadists. This embarrassed the US and the EU and risked to create an unprecedented crisis within NATO, of which Turkey represents the second largest army. Ultimately, Ankara had to accept the situation on the ground and the Iraqi and Syrian Kurds managed to defeat – if only militarily – IS. At the same time, however, President Erdogan played his cards against the Kurds at home and his electoral campaign in late 2015 focused on discrediting the HDP and the Kurds. For its part, the PKK took advantage of the new scenario in Turkey, as most of its current and influential leaders are against the policy of compromise.

Moving forward: looking for a single voice

What can be expected in the coming months is a period of redefinition of new balances, with some actors trying to change the status quo and others trying to resist. Among the former are surely the majority of Kurdish actors (even if with different strategies for different purposes), while among the latter are the most important regional state actors. Turkey cannot afford the creation of a Kurdish autonomous entity in Syria as it could influence the Turkish Kurds and it would bring about a strategic advantage for the PKK. Iraq has demonstrated to be ready to deploy military forces against its Kurdish communities, as happened in the area of Kirkuk in the aftermath of the referendum. Iran has a too-big interest in maintaining the status quo in Iraq, continuing to influence Baghdad and, within the KRG, maintaining good relations with the PUK in order to counterbalance the influence of Turkey, which in turn has built a solid partnership

Territorial expansion of Syrian Kurdish forces (2015-July 2017)



Data: Institute for the Study of War

with the KDP. For the Kurds, one of the main problems is represented by their internal divisions. Not even the possibility to achieve the dream of the creation of an independent Kurdistan contributed to overcoming the rivalry between the KDP and the PUK in Iraq. And from an enlarged perspective, the goals of the Syrian Kurds are different from the ones of the Iraqi Kurds, which in turn diverge from the project of the PKK in Turkey. This internal weakness has been exploited over the decades by external actors. The US, Russia, European powers, Iran, Turkey – all of them relied on different Kurdish actors in order to pursue their particular interests and, once the goal had been achieved, they abandoned them again to their destiny. As long as the Kurds fail to achieve an internal consensus and to propose a single long-term political project for their status in the region, their exploitation by external actors is likely to continue.

After the referendum: what's next for the Iraqi Kurdistan?

Maria Fantappie
Senior Analyst, International Crisis Group (ICG)

On 25 September 2017, the Kurdistan Region of Iraq held a referendum on independence which cast Erbil and Baghdad into an impossible deadlock. By making independence the ultimate condition for negotiations with Baghdad, the leaders of Iraqi Kurdistan have shunned the possibility of a negotiated deal, leaving military confrontation as the only way forward and rendering the Kurdistan region effectively more dependent on its neighbours. In its formulation, which asked voters whether they wanted the Kurdish region and the areas under its control outside its administration to become an independent state, the referendum effectively closed all doors for negotiation and set Iraqi Kurdistan and the central government in Baghdad on a collision course. The vote's overwhelmingly positive results implied that any post-referendum talks should include the prospect of independence. Baghdad has rejected this prospect, making a return to talks conditional upon an annulment of the vote, which it considered a violation of the principle of territorial integrity enshrined in the Iraqi constitution.

The impact of the Kurdish referendum

Rather than resolving Kurdish leaders' internal rivalries and enhancing prospects for statehood, the vote deepened divisions and now risks jeopardising Iraqi Kurdistan's autonomy and international support. The referendum proponents may have calculated the risks but they miscalculated to what extent the move could backfire. They may have counted on an escalation that would shift US and international backing in their favour and offer a jumping board for a unilateral declaration of independence. For instance, an aggressive response from the Shiite-dominated factions that form the Popular Mobilisation Units (PMU) would allow Kurdish leaders to kill two birds with one stone: consolidating the leadership of the Kurdistan Democratic Party (KDP) over the region as the primary defender of the Kurdish national cause while also consolidating US support as a buffer against a blatant show of Iran's influence in Iraq.

Three weeks after the vote, tensions peaked in the oil-rich city of Kirkuk, which has long been disputed with Baghdad. On 16 October, Iraqi forces massed on Kirkuk's outskirts and seized control of Kirkuk's oil installations and many of the disputed territories outside the Kurdistan region. Attempts by the Kurdistan Democratic Party (KDP) to consolidate its dominance have directly encouraged members of its rival, the Patriotic Union of Kurdistan (PUK), to consider an arrangement with Baghdad that could provide the PUK leaders assurances of political and economic survival in their rivalry with the KDP in return for withdrawing and allowing Iraqi forces to deploy in Kirkuk and other disputed territories.

PMU factions affiliated with Iran have also deployed in the operation, but alongside other Iraqi security forces (such as the US-trained Counter Terrorism Forces and army and police divisions) and only with prior orders from Haider al-Abadi, Iraq's Prime Minister. Al-Abadi's order has effectively legalised the operation as an Iraqi-led operation, in spite of the fact that Teheran and Ankara had been aware of it all along – and possibly even helped to engineer it. International silence over the advancement of Iraqi forces was an implicit acknowledgment that the US and the international community would side with Baghdad as long as it helped pressure Kurdish leaders into making concessions and preventing the breakup of Iraq.

5.3 million
people living in the Iraqi Kurdistan

Results of the referendum held in the Iraqi Kurdistan on 25 September 2017

4,581,255
Registered voters

3,335,925 (72.8%)
Turnout

2,861,471 (92.7%)
YES
In favour of independence

224,464 (7.3%)
NO
Against independence

If, by voting in the referendum, Iraqi Kurds have genuinely expressed their aspiration for statehood, post-referendum developments may deliver a region which is less independent and less democratic than before. Internecine rivalries consume the leadership at the top while Iraqi Kurds' distrust of their leaders is more widespread than ever. Leaders who supported the referendum blame others as traitors, while the latter label the referendum's proponents as irresponsible.

Kirkuk as a turning point

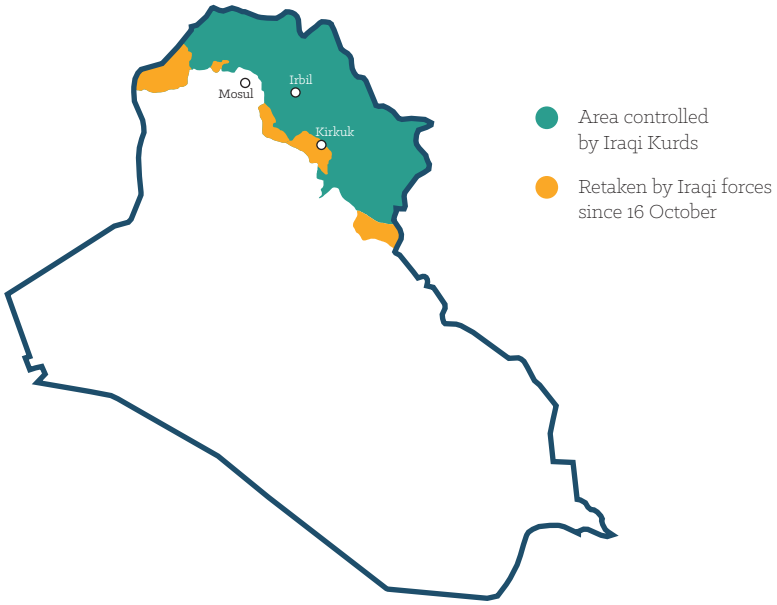
The loss of Kirkuk unleashed a domino effect, which now threatens Iraqi Kurdistan's decades-long gains in carving out an autonomous region in Iraq tolerated by Turkey and Iran. Erbil has lost much of its bargaining power against Baghdad. Peshmerga have withdrawn from most of the territories that fell under Kurdish control after Iraqi security forces collapsed in 2014, which provided Iraqi Kurdistan with a bargaining chip in any negotiations with the central government. As things stand now, even if negotiations start, the situation on the ground has changed and Iraqi Kurds are now on the weaker side. As a heavily oil-dependent economy, without Kirkuk's oil installations the region has lost its ability to access an independent revenue stream. KDP's economic partnership with Turkey risks weakening now that Iraq's oil ministry announced plans to re-open the pipeline to Turkey bypassing the one operated by Kurdistan. Iran is meanwhile aggressively entrenched in Kurdistan's eastern territories, consolidating the partnership between the PUK and Iraqi Shiite political factions. The prospect of losing exclusive control over Iraq's border points with Turkey and Iran may catastrophically roll back Kurdish autonomy to the scenario that predated the 1991 Gulf War.

The KDP-promoted independence referendum and the PUK forces' withdrawal in the face of Iraqi forces' advance in Kirkuk have more in common than it appears at first glance: leaders of both parties have chosen to secure their own survival while leaving Iraqi Kurdistan vulnerable. Iraqi Kurdistan's parliamentary and presidential elections, scheduled for early November, have been postponed. This risks further delaying a necessary renewal of Kurdish politics that has been the root cause of the unfolding crisis and deepens Kurds' disenchantment towards the entire political process. It risks further reducing Kurdish parties to family aggregations controlling fiefdoms dependent on powerful neighbours. The PUK, dominated by members of Jalal Talabani's family, may opt for deepening political and economic ties with Baghdad and Teheran to secure power in the eastern provinces of Suleymania and Kirkuk. A KDP dominated by Massoud Barzani and his son Masrour – after the lost referendum bid – may become even more dependent on Turkey to at least secure its power in the western provinces of Dohuk and Erbil. The retreat of political parties to their family and tribal territorial strongholds will accelerate the erosion of the Kurdistan Regional Government's institutions, which, after 2003, constituted an important platform for governance and intra-party cooperation.

The debacle should be a wake-up call for the political leaders who have led the region to the brink of collapse. They are the main obstacle to overcoming the crisis they themselves have created, which can now only be resolved by allowing for a transition to new leadership. Both

450,000
oil barrels per day pumped from the area of Kirkuk

Areas controlled by Kurds in Iraq



Data: Institute for the Study of War

the KDP and PUK count within their ranks figures who, despite their family and party affiliations, are committed to KRG institutions and could start talks with Baghdad on unresolved issues without conditioning them on negotiations regarding the referendum's results.

What Baghdad can do

Baghdad should use its leverage to empower a new Kurdish leadership which can stand as a solid party to the negotiations. Opting for continued escalation and a divide-and-rule policy would do just the opposite, leaving the Kurds fragmented and weak in these talks. The Iraqi central government, if committed to implementing the Iraqi constitution as it claims to be, should negotiate a deal which allows Kurdistan to secure control over its official borders and agree on a shared security mechanism in the disputed territories, and commit to delivering 17 percent of its budget to Kurdistan while finalising agreements on oil revenues and funding to Peshmerga forces that can build on shared interests between the two sides.

Post-IS Iraq is likely to witness a tortuous process of transitioning away from the dynamics that regulated post-2003 Iraq. The referendum and its aftermath mark a first spectacular turn in Erbil-Baghdad relations — a major unresolved node of post-invasion Iraq's politics. The lost referendum bid can still be transformed into a win for both capitals if the crisis is taken as an opportunity to bring about a change of power in Kurdish parties' top leadership, a change now necessary to secure Iraqi Kurdistan's pre-referendum gains and turn the page of its decade-long conflicted relations with Baghdad.

17%

the amount of national oil rents destined to the KRG

1.5 The Middle East according to Trump

Karim Mezran
Senior Fellow, Atlantic Council

SHARED SECURITY

Global leaders, analysts, and the public have a lot of trouble discerning US policy toward the Middle East, whether due to inconsistent messaging from the different branches of government, an auto-pilot continuation of Obama-era policy, or the lack of a policy at all. President Donald Trump's rhetoric does little to help clarify his vision or strategy for the future of the MENA region. This at a time when the United States needs a clear, comprehensive approach to stabilise the raging and complex conflicts that have a direct impact on US interests.

Obama focused on minimal US intervention and reduced tensions with Iran, but the legacy of US entanglements in the MENA region and the rise of the Islamic State forced him into the paradoxical position of responding to the region's crises while trying to reduce the US footprint. His approach opened the door for a Trump policy that looks to return the Iran genie to its bottle, "get tough" on terrorism, and re-establish the traditional Arab order.

Iraq and Syria: stabilisation not reconstruction

Trump has largely followed Obama's lead in the fight against IS in Iraq and Syria with the Combined Joint Task Force–Operation Inherent Resolve (OIR, or the anti-IS coalition). The coalition conducted more than 13,000 strikes in Iraq as of 9 August 2017, with expenditures of over $14.3 billion since 8 August 2014. In Iraq, Trump's Pentagon continues to rely on Kurdish Peshmerga forces. It has also continued coordinated efforts with Iraq's Shia Al-Hashd Al-Shaabi (or Popular Mobilisation Units) in joint-operations in the Western Anbar province and Mosul. These operations have largely been successful, as IS has lost about 80 percent of its territory and approximately 2.1 million displaced Iraqis have returned.

The Trump administration inherits a more complicated framework in Syria. Obama's apprehension over intervention created the space for Russia and Iran to overtly support Syrian President Bashar al-Assad. Most notably in Syria, the US fired several missiles at the Shayrat airbase in April 2017 in Homs, a stark contrast to the Obama policy of avoiding direct engagement. These deviations from Obama-era positions, however, appear either cosmetic or reactionary with no real impact on the overall dynamics of the conflict or on US strategy in Syria.

The United States continues to utilize Turkey's Incirlik air base as a tool in aerial reconnaissance campaigns against IS. A major point of contention with Turkey, however, involves US collaboration with the predominantly Kurdish SDF, led by the Kurdish People's Protection Units (YPG). The Trump administration authorised to arm and equip the YPG in its attempt to seize Raqqa, but Turkey fears that US support would only embolden Kurdish separatism on Turkish territory.

The administration's role in the anti-IS coalition, led by Special Envoy Brett McGurk, has strategically excluded institution-building initiatives, leaving the fate of Iraq in Prime Minister al-Abadi's and Syria in Assad's hands. As such, the US State Department and USAID still operate under an Obama-era policy: stabilisation not reconstruction. As part of stabilisation efforts, the State Department has reiterated US support in infrastructure vs institution-building and repatriation efforts for displaced civilians.

13,000
airstrikes conducted by the US in Syria and Iraq since 2015

US ENGAGEMENT IN THE MIDDLE EAST

14.3 billion $ — Expenditure for the war on IS in Syria and Iraq (2014-17)

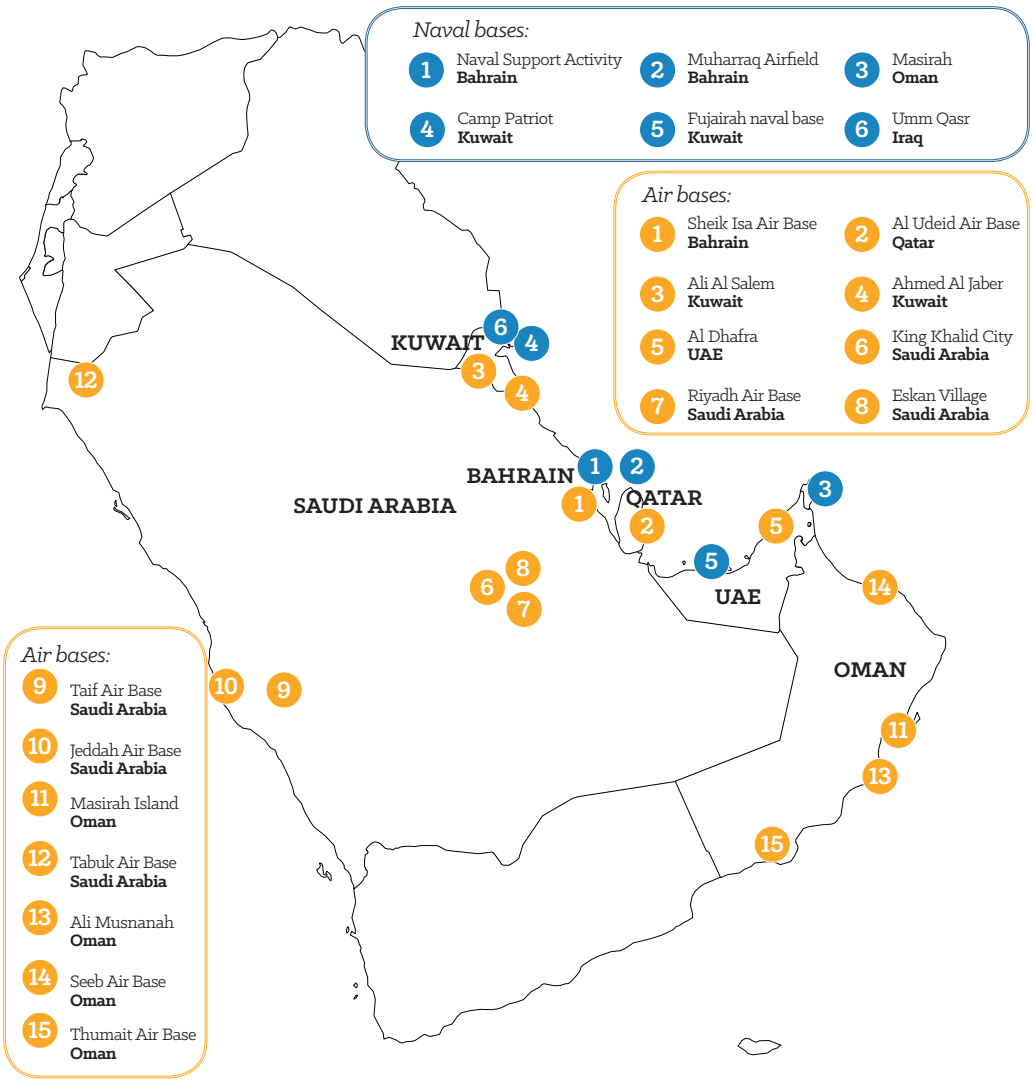
100,000 — Security forces trained in Iraq

300 million $ — Contracts for providing weapons, vehicles, and supplies to Kurdish units

110 billion $ — Deal with Saudi Arabia for providing cybersecurity technology, tanks, artillery, ships, helicopters and radar missile-defense systems

13,000 — Aistrikes against IS (2014-17)

US naval and air bases



Data: US Department of State

$7.5 billion

US foreign aid to Middle East countries in 2016

EGYPT: A BILATERAL RELATIONSHIP THROUGH MILITARY PARTNERSHIP

The US-Egypt relationship has had its share of turmoil over the past few years as the Obama administration tried to balance its strategic interests with support for democratic norms. When Trump took office, the Egyptian President al-Sisi was among the first to congratulate him and Trump invited him to the White House, ending the characteristic diplomatic cold shoulder of the Obama years. Nevertheless, the US State Department withheld $195 million in military aid and cut $96 million, ostensibly for Egypt's human rights record. New revelations, however, suggest that the move had less to do with Egypt's domestic policy and more to do with a perceived slight by the Trump administration.

Egypt has also maintained a largely under-the-table relationship with North Korea at a time when the Trump administration has vowed to increase North Korea's economic and diplomatic isolation. A recent UN sanctions committee report also implicated Egypt in the purchasing of small arms from the pariah nation. US officials confirmed that this, among other incidents, contributed to the decision to withhold a portion of the foreign assistance.

Despite the tension, the Trump administration agreed to resume the Bright Star joint military exercise with Egypt. Since 2013, when Obama suspended the exercise, Egypt has struggled with an active terrorist presence, particularly in the Sinai Peninsula. The military partnership remains a cornerstone of the bilateral relationship and the United States has continued to provide military assistance and border surveillance equipment for Egyptian forces. Trump's attitude toward Egypt will focus on those same interests it has always held dear: priority access through the Suez Canal, Israeli security and a close military relationship.

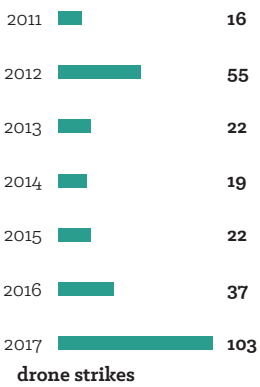
$12.3 million

average daily cost of US operations in Syria and Iraq since 2014

THE ARAB GULF STATES: TACKLING THE RIFT

In Saudi Arabia, Trump signed the largest arms agreement in history with the monarchy in May 2017. The visit also birthed a new counterterrorism initiative, the Joint Strategic Vision Declaration. In the diplomatic row between the Gulf states over the months that followed,

Number of US drone attacks against terrorist targets in Yemen



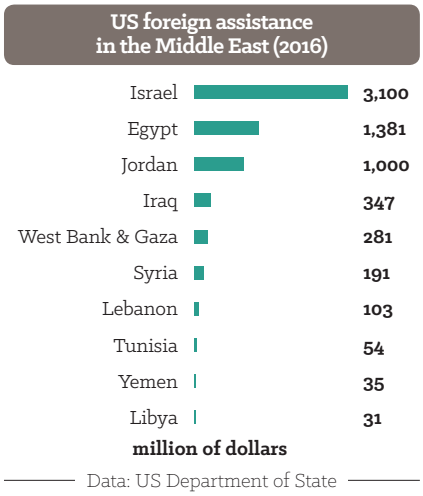
— Data: The Bureau of Investigative Journalism —

Trump condemned the Qatari government for alleged support of terrorist organizations. Despite Trump's initial support of Qatar's blockade, however, his administration has been critical of the coordinated assault on Qatar, reflecting its concerns that the rift could develop into a larger security crisis. US Secretary of State Rex Tillerson has questioned the three Gulf states behaviour and designated Kuwait as a neutral source of mediation, hosting negotiations between parties over the course of four days in July.

To balance the Gulf states' anxiety over the US-led Iran nuclear agreement, Obama had offered a considerable amount of military support and even close cooperation with the Saudi-led coalition's leadership in its war in Yemen. Despite its criticalities, the value of Saudi Arabia as a partner supersedes its human rights record and its newfound assertiveness on the regional stage. Unlike Obama's time, however, growing impatience with the Gulf allies has led to divergent opinions in the Trump administration that has started to chip away at the historically privileged relationship.

YEMEN: FOCUSING ON AQAP

Nine days after his inauguration, Trump ordered a Navy SEAL raid in Yemen targeting an al-Qaeda cell. The raid embodied a continuation of the Obama-era policy that authorised the use of force against al-Qaeda in the Arab Peninsula (AQAP), but against the backdrop



of the concurrent Saudi-led war against the Houthi rebels, the public increasingly began to view US involvement as problematic. Trump also loosened the strict Obama-era rules of engagement, giving military commanders greater leeway in conducting their operations – but with the side effect of greater civilian casualties.

The Obama administration had provided logistical support, targeting, and mid-air refuelling to the Saudi-led coalition, but became increasingly wary of implicating the United States in suspected war crimes. It suspended some of its military cooperation to the Saudi-led coalition in Yemen, but still gave Saudi Arabia the room to outmanoeuvre calls for accountability at the UN Human Rights Council.

The rising civilian toll and potential for US culpability in war crimes has prompted US lawmakers to call for a review of the 2001 Authorisation for the Use of Military Force (AUMF) and multiple attempts to stop weapons sales to Saudi Arabia. Public pressure helped convince Obama to stop the transfer of some arms to Saudi Arabia toward the end of his tenure, but the bulk of the military relationship remained intact. Under Trump, growing support in the US Congress to hold Saudi to account has led to more attempts to block weapons sales, though none of these efforts have yet been successful.

Trump's counterterrorism focus, pro-Arab Gulf stance, and anti-Iran calculations clearly rely on military force that made Yemen a convenient battleground to demonstrate all three. Yet the increasing human cost, mounting international and domestic criticism, and potential damage to international standing may force the Trump administration to strictly limit its involvement in Yemen to anti-AQAP operations.

North Africa: counterterrorism is the key

Trump's main order of business in Libya remains focused on counterterrorism. In September, Trump ordered the first airstrikes against IS forces in Libya, but it is not the first time the United States has struck IS there. As with Obama's airstrikes, the Trump administration carried them out in coordination with the UN-backed Government of National Accord (GNA) and Prime Minister Fayez al-Serraj.

The Trump administration has also taken a stronger stance in supporting Special Representative of the Secretary General Ghassan Salame's UN-led mediation between the GNA and General Khalifa Haftar. Whether this will evolve into an invested US effort in the Libyan theatre remains to be seen but early signs look encouraging. Meanwhile in Tunisia, the administration decided to reduce funding as security threats are no longer a primary concern. Budget cuts in Tunisia underscore the administration's priorities in focusing on counterterrorism and security as opposed to an agenda directly focused on institution-building.

Largely unchanged

Ten months into Donald Trump's presidency offers few data points from which to derive his strategic vision for the MENA region. While his attitude toward liberal internationalism and traditional foreign policy norms differ greatly from Obama's, the resulting policy appears remarkably the same. What deviations have emerged appear either superficial (as in the case of the Syria strike) or driven by uncontrollable externalities (as in the case of growing discontent with Arab Gulf actions). Both presidents share a security-driven view of the Middle East and a desire for a lighter footprint. With US interests relatively narrowly defined by both administrations in the region, in the region, policy continuity is more likely than abrupt ruptures.

#med2017

With US interests relatively narrowly defined by both administrations in the region, in the region, policy continuity is more likely than abrupt ruptures

1.6 Syria: testing Russia's long-term strategy in the Middle East

Andrey Kortunov
Director General, Russian International Affairs Council (RIAC)

SHARED SECURITY

The profound crisis of the Middle East region has many layers. The most visible one is the spread of religious fundamentalism, political extremism and international terrorism. Another, more fundamental though less visible layer of the crisis is the decay of the regional state system, a spectacular weakness of basic state institutions and secular political regimes. Finally, the third layer is the failure of economic and social modernisation models that have been tested in the Arab world for the last fifty or sixty years.

It would be fair to say that the modern Middle East is too important to leave it to Middle Easterners alone. The paradox of the situation, however, is that while many detrimental repercussions of negative developments in the Middle East become more and more significant for the outside world, the outside world has less and less leverage to influence unforeseen and unpredictable tectonic changes in the region. The outside involvement in various forms – from sizeable technical assistance programs to direct military interventions – has in most cases turned out to be inefficient, and in some instances totally counterproductive. One can diagnose a growing scepticism about any positive impact that an external involvement can have on the Middle East region under the current circumstances.

Challenging the Western approach in the Middle East

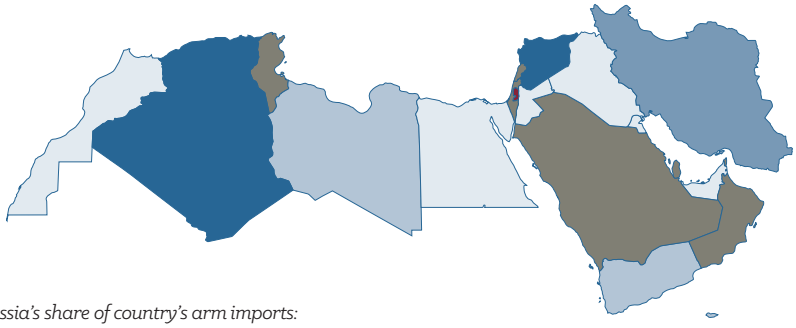
Russia has a long history in dealing with the Arab world; the Russian school of Arab studies is arguably among the oldest and the most accomplished. This knowledge of the region and experience on the ground implies that in Moscow there should be no illusions about Russia's ability to dominate the Middle East or to replace the United States as the main security provider for the region. The Russian capacities may be significant, but they are clearly not limitless. Besides, Russia has many higher priority interests in other parts of the world including Europe, East Asia and the territory of the former Soviet Union.

So, why did Russia intervene in Syria? The prime reason was not to rescue the regime in Damascus. Bashar al-Assad had never been a client of the Kremlin or a close friend of Vladimir Putin, and Syria has too little to offer Russia as an economic partner. True, it might provide a convenient access to the Mediterranean, but Damascus is in no way unique in this sense. Neither was the Kremlin deliberately trying to create additional problems for the United States by complicating matters in Syria. If this were the case, it would be more logical to encourage a large-scale US intervention in Syria, turning this country into yet another headache for Americans similar to Iraq or Afghanistan. Even less plausible is the assumption that Moscow was and still is committed to supporting Shias against Sunnis. Russian Muslims are predominantly Sunni, and some of the best Russian friends in the Arab world (e.g. Egypt) happen to be Sunni, not Shia.

Initially the Russian intervention was primarily a pedagogical action. After the West

4,000
Russian military personnel stationed in Syria since September 2015

Russian arms sales to the MENA region (2000-2016)



Russia's share of country's arm imports:

<40%	40-60%	60-80%	80-100%	0%	N.A.
Morocco	Libya	Iran	Algeria	Tunisia	Palestine territories
Egypt	Oman		Syria	Israel	
Jordan				Lebanon	
Iraq				Saudi Arabia	
Kuwait				Qatar	
UAE				Bahrain	
				Yemen	

Data: SIPRI

(mostly the US, of course) had demonstrated its spectacular inability to "fix" places like Iraq, Libya and Afghanistan, Moscow could offer a different, more practical and more efficient approach to the region. This was particularly important after the Ukrainian crisis cast a dark shadow over Russia's relations with its Western partners. The Kremlin had to demonstrate that it could be a part of the solution, not a part of a problem. The idea was not to replace the West in the Middle East, but to change the Western approach to the region, and most importantly to convince Western leaders that their enthusiastic support for the Arab spring had been an irresponsible, short-sighted, and very dangerous approach. This idea apparently reflects the overall mental framework of contemporary Russian leaders, who believe that the real borderline in global politics today divides not democracy from authoritarianism, but order from chaos.

However, this hope to use Syria as an opportunity to limit the damage in Russia-West relations caused by the Ukrainian crisis was short-lived. The failure of this strategy became apparent in the fall of 2016, when the painfully negotiated Kerry-Lavrov peace plan collapsed only a couple of weeks after signing. It would seems that this experience led to a serious reassessment of the Russian approach to Syria and to the region at large. After that, the Kremlin focused its energy and diplomatic skills on building a coalition of regional players through the Astana de-escalation process. Bringing Turkey and Iran to the negotiating table was an unquestionable diplomatic victory for Vladimir Putin and the Kremlin was working hard to get major Arab countries interested in this new arrangement. The invitation was also extended to the United States, but the US participation was no longer considered critical for the success of Russia's Syrian strategy.

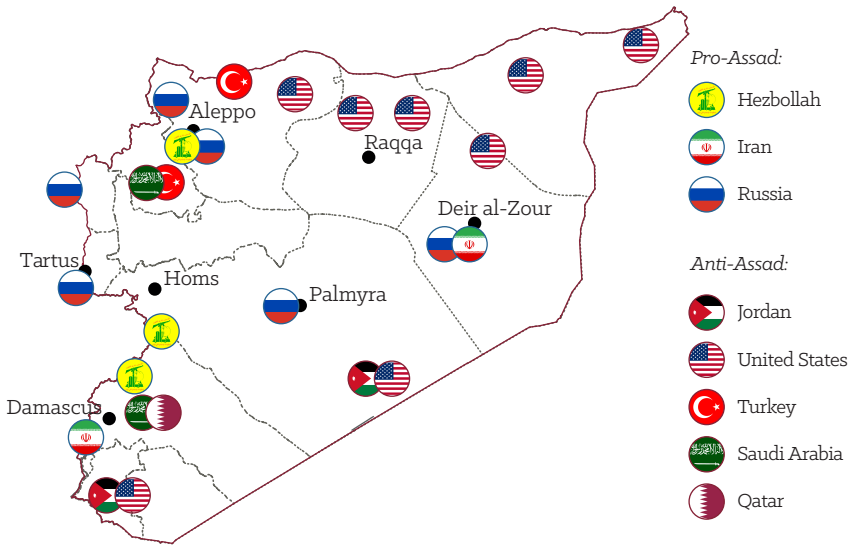
Beyond Syria: a long-term plan?

The ongoing Russian attempts to forge a broad coalition of "responsible" regional players in the Middle East seem to go be-

41

casualties among Russian military personnel between October 2015 and October 2017

Areas of influence in Syria and Russian presence



• The Tartus Naval Base, used to provide regime with arms and ammunition

1,700 strong staff

2 repair and supply vessels

• The Bassel al-Assad Airbase, used for military and intelligence operations

2,000 strong staff

16 helicopters

32 planes

9 tanks

2 land-to-air missile defense systems

Data: Anadolu Agency, Institute for the Study of War

74

Russian private military contractors dead between October 2015 and October 2017

yond Syria, indicating the likely direction of longer-term Kremlin's plans for the region at large. Russia cannot endorse a Middle East security system based on a regional hegemonic power taking responsibility for stability in its "natural" sphere of influence. In the Middle East case, the role of the regional hegemon could be claimed jointly by Saudi Arabia and UAE, with Saudis providing most of the "hard" power, with the Emirates contributing their political ideology and strategic vision. Both the Yemen and Qatar crises question the mere feasibility of a "regional uni-polarity": neither Saudi Arabia nor UAE seem capable of successfully "managing" arguably much less powerful regional players. On the contrary, political divisions in the region are getting deeper and prospects for a regional reconciliation under a common hegemonic umbrella are becoming more and more remote. For Russia, the "regional uni-polarity" would mean the need to break its relations with Iran, a step Moscow is not ready to take.

Another traditional regional security model is based on the leading role of an out-of-area hegemon, which acts as an external security provider and an honest broker in regional disputes. The United States appears to be the perfect candidate to play this role. In fact, the concept of a "Greater Middle East" popular with the George W. Bush administration in the beginning of the century envisaged building various military and political alliances in the Middle East and North Africa under a US security protectorate. Moscow consistently opposed this idea. At the end of the day, the "Greater Middle

East" turned out to be stillborn. First, it was incepted by DC-based analysts and bureaucrats with questionable knowledge of the region. Second, it implied the idea of division; the intention was to mobilise the Arab world for a joint struggle against US opponents and foes in the region.

It is too early to make any final judgments about the Trump administration strategy in the Middle Eastern region, but for the Kremlin there are grounds to suspect that the United States might get back to its past stance. The concept of an "Arab NATO" backed by the US and targeted against Iran seems to gain momentum in Washington. The odds are that this concept will be no more successful than the concept of a "Greater Middle East": the Arab world is very complex and highly diverse, interests and priorities of various Arab states are in no way identical. An attempt to create a defence alliance similar to NATO in the region does not look realistic.

Nevertheless, one could imagine that such a military bloc could indeed emerge in the Middle East. What security problems would it be in a position to resolve? In the best-case scenario, this arrangement would freeze the current conflicts in the region in the form of a regional Cold War. As we know from European history in the second half of the 20th century, this scenario has many negative strings attached, including mutual mistrust and suspicions, continuous arms race and political tensions and, most importantly, an inherent risk that the Cold War might turn into a real "hot" war.

What security model for the Middle East?

Where should Moscow look for alternatives to these deficient models? For the Russian leadership, the only plausible alternative is a collective security model applied to the Middle East. This model might look too radical, naïve or detached from the current regional political realities. Nevertheless, the desperate situation in Yemen and the stalemate around Qatar suggest that any half-way, tactical solutions are not good enough to handle basic security problems of the region.

One of the fundamental principles of any international collective security system is its inclusive nature. Leading Arab nations – Egypt, Saudi Arabia, UAE and others – have to play a decisive role in building such a system. However, from the Moscow's viewpoint, no one should ignore the non-Arab states of the region – such as Iran, Turkey and Israel. These states are no less interested in a stable, predictable, prosperous and vibrant Middle East than their Arab neighbours are. It would be not only unfair, but also highly short-sighted to remove any of these states from the regional arrangement. To exclude just a single major player would make the whole system extremely fragile and unreliable.

Of course, the idea of a collective security system in the Middle East appears to be very distant from the current regional realities, but Moscow regards its successful endgame in Syria as the first step towards this remote, but attainable goal.

#med2017
the idea of a collective security system in the Middle East appears to be very distant from the current regional realities

2

SHARED PROSPERITY

2.1

Promoting intra-regional trade in the southern Mediterranean

Maria Demertzis
Deputy Director, Bruegel
Filippo Biondi
Former Research Assistant, Bruegel

SHARED PROSPERITY

Despite the recent narrative of trade protectionism, free and open trade is accepted as the right means to promote growth and prosperity. And regional trade integration is the first step towards opening markets and benefiting in terms of welfare. Trade integration in the south of the Mediterranean (MED) is still very low and incomplete. There are important economies of scale and diversification opportunities that remain largely untapped. At the same time, while several trade agreements are in place – too many, according to some – they have not succeeded in creating the necessary conditions for trade to ultimately develop. However, none of the existing economies of scale or necessary conditions for trade can be created before peace, political stability and economic security are re-established. There is a clear role for Europe to play here. European countries have been actively involved in the region, but the next step in promoting the region's development will rely on (more) coordinated action. This will be necessary to promote intra-regional trade.

5.5%
southern Mediterranean intra-regional exports on total exports

3.9%
southern Mediterranean intra-regional imports on total imports

Trade integration in the region: low and incomplete

The EU is by far the most significant trading partner of MED countries. The EU attracts more than half of Algerian, Libyan, Moroccan and Tunisian exports, and also accounts for a large share of Egypt's exports. Energy trade is arguably the most important economic link between the two regions. Imports are slightly less concentrated. In the last years, while Morocco, Algeria and Tunisia reduced their high dependence on EU products (around 50%), Libya and Egypt significantly increased imports from European countries.

Simultaneously, the economic rise of China and India has been a mixed blessing for the countries in North Africa. On the one hand, higher demand from these countries has partially offset the reduced European demand in the aftermath of the crisis. On the other, domestic producers and exporters have seen an increase in competition from China and India, especially in the textile and electronics industries.

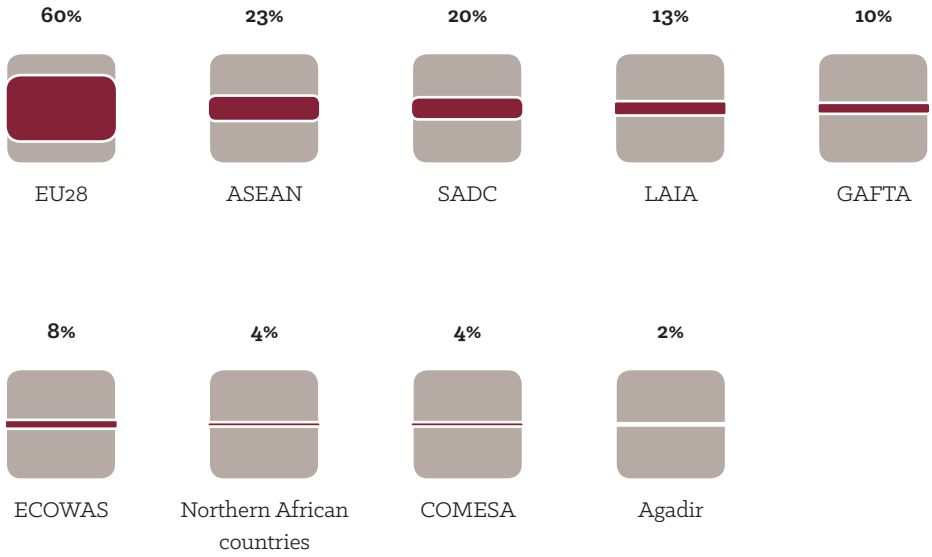
But a striking feature of the southern Mediterranean countries is the uncharacteristically low level of intra-regional integration. Intra-regional trade represents only 5.5% of total exports and even less (3.9%) of total imports. According to the African Development Bank, it has been the lowest of any region in the world and well below that achieved by other regional communities in Africa, such as the Southern African Development Community (SADC) or the Common Market for Eastern and Southern Africa (COMESA).[1]

A number of factors underpin this lack of regional trade. First, the region's modest income and size compared to neighbouring Europe makes it gravitate towards the latter. Close links with Europe mask the need to develop stronger regional links.

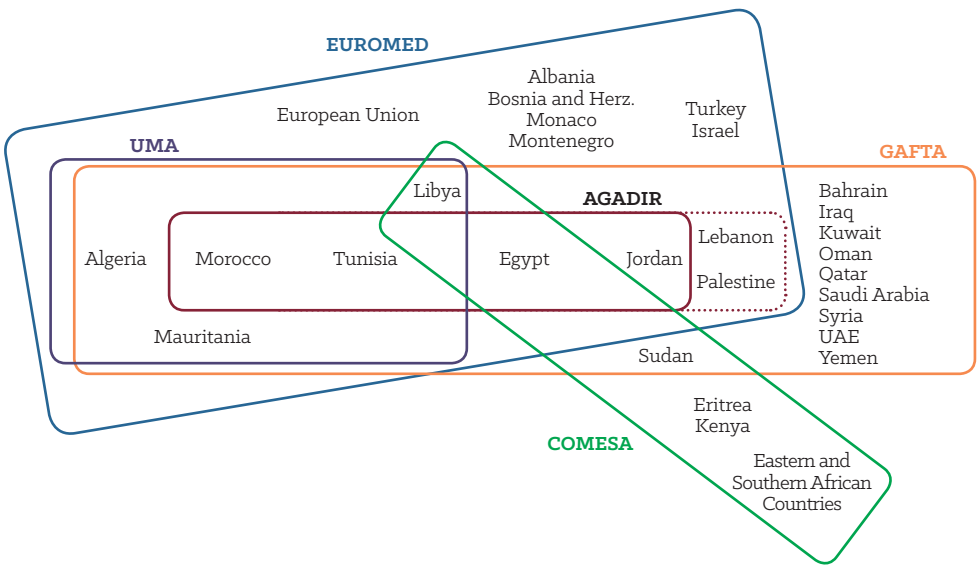
Second, it reflects the lack of complementarity in production structures of countries in the region. However, as Chaponnière and Lautier point out, the success of the Association of Southeast Asian Nations (ASEAN) model is based on intra-industry rather than

A REGION STILL LITTLE INTEGRATED

Share of intra-regional trade in merchandise, % of total



REGIONAL INTEGRATION IN EUROPE, AFRICA AND THE MIDDLE EAST



Data: author's calculation on COMTRADE data

278%

of production value: trade costs between the Maghreb countries

inter-industry regional trade.[2] Ben Ali also agrees that the region can benefit from developing intra-industry trade and upgrading their respective export quality.[3]

Beyond these structural constraints, there are various infrastructure-related and policy-induced impediments to intra-regional trade. Shepherd reports the perverse effect of North African countries having lower costs when they trade with Europe than when they trade between them.[4] Trade costs between Maghreb ranged from 335% of production value in 1995 to 278% in 2014, about twice as high as trade costs with European states. This is due to the relatively few active transport corridors across the region and the existence of fragmented logistics services markets. The World Bank reports that improving logistic performance would reduce average bilateral trade costs by a factor of ten compared to an equivalent percentage reduction in average tariffs.[5]

Third, non-tariff measures, like complicated customs clearance and overburdened administrative processes, still represent a relevant hurdle, as reported by the International Trade Centre.[6] Another impeding factor to intra-regional trade relates to restrictive rules of origin (ROOs). According to the OCP Policy Center, diagonal accumulation only exists across a subset of countries and generally differs across some Euro-Med countries (e.g. the ROOs for Egypt are not the same as those for Tunisia and Morocco), which further restricts effective market access to the EU.[7]

Lastly, political instability throughout North Africa and more generally across the region, has not helped the cause of economic growth and integration. Firstly, Algeria and Libya have very unpredictable environments for foreign operators, a clear disincentive to mutual trade and investment. Secondly, there is latent hostility between Algeria and Morocco around the issue of Western Sahara, which led to the closure of the Algerian-Moroccan border in 1997. In practice, this has severely restricted the flow of goods and people between the two nations and probably represents the largest barrier to economic integration in the region.[8]

Trade agreements: an obstacle to trade integration?

The low level of integration contrasts with the numerous regional trade agreements that are found in the region. The figure on page 83 provides a representation of North African countries' membership in various Regional Economic Communities and how they overlap. Analysts agree that the proliferation of (often overlapping) trade arrangements has actually had negative effects due to an accumulation of rules that are largely inconsistent in terms of application and scope.[9] In particular, the diverse rule of origin systems is considered a major impediment to the creation of integrated supply chains in the region.

Initiatives aimed at regional integration such as GAFTA (Greater Arab Free Trade Area) and AMU (Arab Maghreb Union) have fallen below expectations mainly due to a lack of implementation and the persistence of non-tariff measures. Nevertheless, the EU regarded the Agadir Agreement as the most promising way of enhancing south-south integration. Despite the rather limited effect of the process, the EU has supported the setting up of the Agadir Technical Unit. According to Behr, part of the EU's enthusiasm for the Agadir Process over GAFTA stems from the fact that Agadir links closely the southern Mediterranean countries to the EU.[10] Thus, the Agadir countries adhere to the Pan-Euro Med Rules of Origins and apply the so-called Euro Med certificates to their exports. In light of this, a few positive developments are worth mentioning: last year Palestine and Lebanon joined the Agadir Agreement and recently Egypt officially declared its intention to revive the agreement, in light of the tension between Egypt and some Gulf states. Contrary to the intention of a free trade agreement to harmonise standards and increase cooperation, agreements in the region have failed to produce the desired effect. Improving that requires expanding the scope of existing agreements to include more countries.

A role for the EU?

In line with the G20 agenda, the role of the EU in the region is both crucial to its own in-

terests and pivotal for the MED region itself. But the issues and EU involvement are nothing new. Development banks are already present in the region and European countries themselves have their own established ways of contributing. The EU's role could be strengthened in the following ways:

First, coordinating efforts from the European side would maximise the breadth and depth of help provided. This may require centralising at least part of the national efforts made, in order to ensure consistency and to target priority objectives.

Second, the issue of coordination needs to happen also in terms who Europe engages with. Studies show that when the EU engages bilaterally with the countries of the region, it runs the risk of reinforcing non-cooperative behaviour.[11] This means that each MED partner prefers to conduct its own negotiations to extract preferential treatment in direct competition with its own neighbours. This is an important limitation to the "hub-and-spoke" relationship with the EU. In order to prevent this from happening, the EU would need to encourage interregional talks (EU-MED) rather than engaging directly with individual countries. This by itself can help centralise cooperation and rethink the number and focus of current trade agreements.

Third, the EU should continue to help regional organisations to function more effectively within the limited margin set by the political process, and with that demonstrate its commitment to south-south integration. However, funds currently earmarked for regional cooperation schemes probably fall far short of what would potentially be needed.

The sustainable development of southern Mediterranean countries is a strategic long-term investment for the EU in terms of economic relations and with a view to containing migratory waves from the rest of Africa, that will continue to increase in the future.[12] Intra-regional trade integration is a crucial and unexploited factor for future development.

#med2017
Intra-regional trade integration is a crucial and unexploited factor for future development.

2.2 Iran's economic reintegration: constraints and prospects

Dorothée Schmid
Head of Turkey / Middle East Program, IFRI
Ali Rostom
Research Assistant, IFRI

SHARED PROSPERITY

Iran's economy has been isolated from the global system since 2006 after reports dating back to 2003 suggested that the country was developing a clandestine nuclear programme in spite of its ratification of the Non-proliferation Treaty in 1970. Given Teheran's reluctance to cooperate with the IAEA, the Security Council enacted sanctions against Iran followed by American and European unilateral measures.[1] After a decade of unfruitful negotiations, the parties eventually reached a settlement in July 2015, one month after Hassan Rouhani's election, sparking a huge wave of enthusiasm amongst European countries. Under the Joint Comprehensive Plan of Action (JCPOA), the five Security Council members, Germany[2] and the European Union undertook to relieve nuclear-related sanctions imposed on Iran. Multinational corporations scrambled to restore trade with Iran. Yet many issues remained unresolved and pitfalls were looming large. Trump's election put the deal in limbo as he immediately imposed new sanctions on Iranian companies. The US President evinced his reluctance to any further rapprochement with Iran by refusing to recertify the nuclear deal. His decision is likely to take its toll on the viability of the JCPOA. European leaders have nevertheless maintained a unified voice and reaffirmed their commitment to the deal.

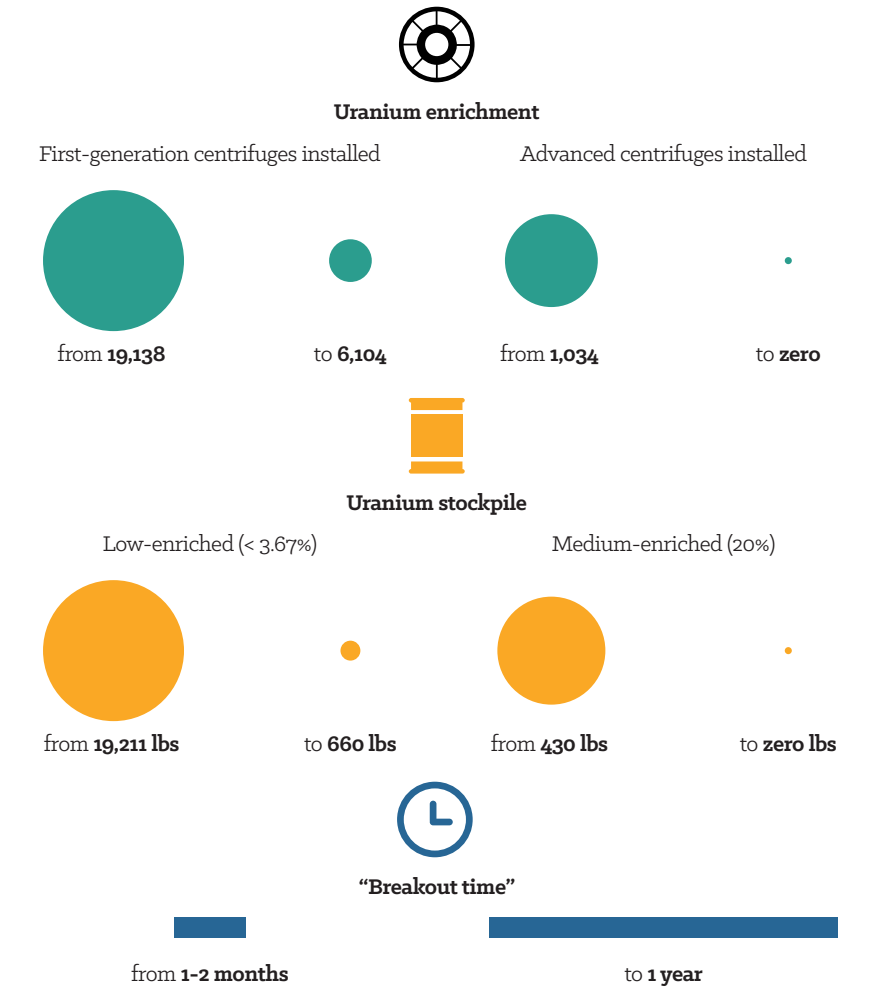
$13.7 billion
value of EU-Iran trade in 2016

A LONG WAY UP TO MEET EXPECTATIONS

The JCPOA was perceived as a massive victory for the moderate camp led by President Rouhani. Iranians thought at first that this agreement was meant to bring about change in their country by integrating their economy into the global market.[3] The deal was also espoused by the Iranian political elite who seemed on board with Rouhani. As secondary sanctions – aiming at severing any ties between non-American firms and Iran – were lifted, many pundits believed that business openings would arise in the financial, banking, energy, petrochemical, shipping, shipbuilding, and automotive sectors.[4] Iranian officials were bent on finding foreign investments especially in the mining, energy, automotive steel, and technology sectors.[5] Iran is indeed a massive market with a highly educated population and countless natural resources.[6] Substantial investments were nonetheless necessary in order to revitalise such a brittle sector hindered by decades of sanctions. This also holds true for the relatively developed – although frail – banking sector. European officials from Germany, Italy and France endeavoured to capitalise on the opportunity by sending high-level officials to Iran. Italy and France were also the first countries visited by Rouhani on a presidential trip after Implementation Day in January 2016. Various Chambers of Commerce and Industry representing small- and medium-sized European enterprises dispatched business representatives in order to see how the land lies. In fact, US companies were still held back by the fetters of non-nuclear related sanctions which offered a comparative advantage to European companies.[7]

A wide spectrum of business deals and

The terms of the Iran deal



Data: IAEA; Joint Comprehensive Plan of Action

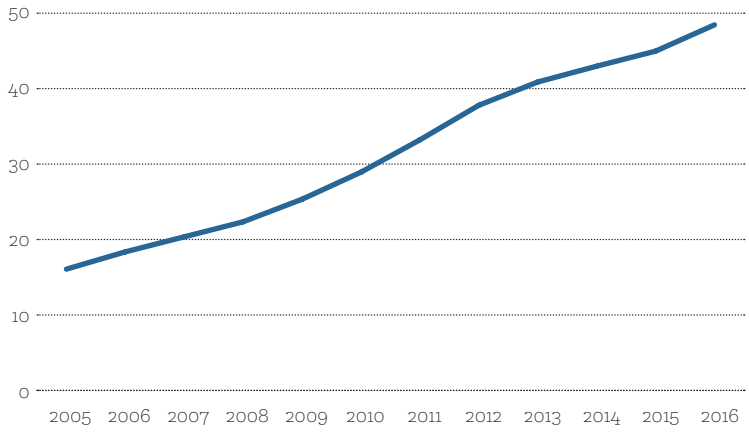
memorandums of understanding were signed between Iranian and global European companies (Total, Siemens, Airbus). It is worth mentioning that Europe – now playing second fiddle to China – was Iran's biggest trade partner before 2006 and European businesses still enjoy a good reputation in the country. In the 2017 presidential elections, Hassan Rouhani managed to secure a second term with around 57% of the votes cast in the first round. His positive economic record and the implementation of the nuclear deal played in his favour as Iranians were mostly optimistic about the future. His electoral platform favouring international engagement and domestic reforms ensured him the necessary support from the reformist and moderate camps. The release of frozen assets could help the country import industrial equipment, raw materials and consumer goods.[8]

However, many issues are yet to be solved. Besides the sanctions, Iran's structural economic weakness could put a damper on foreign companies' will to invest in the short

$41.1 billion

value of oil exports of Iran in 2016

Stock of foreign direct investments in Iran (billion of dollars)



Data: World Bank

term. Onerous regulations – making Iran's shambolic bureaucracy one of the most infamous models in the world – often dissuade foreign investors. Moreover, inflation and unemployment rates remain high despite some improvement.[9] In order to reap the rewards of the JCPOA, Iran is indeed in desperate need of economic reforms. European investors have a long way to go before they can fully penetrate the Iranian market: they still have "to conduct accurate due diligence to avoid the remaining US sanctions, to find partners they are comfortable with and to get the green light from their banks".[10]

The maze of US sanctions

The path towards full economic integration with the West is indeed fraught with thorns. As time went by, Iranian hardliners grew suspicious about US intentions. Donald Trump's election added fuel to fire. Ever since his investiture as the US President, he set the tone with Teheran by contending that "the Iran deal made by the previous Administration is one of the worst deals [he has] ever witnessed".[11] The US President constantly nagged Iran and imposed new sanctions in February 2017. In his visit to Riyadh in May 2017, he excoriated Khamenei for allegedly supporting terrorism and called to isolate Iran.[12] As a result, many high-ranked clerics, including the Supreme Leader, distanced themselves from the deal against a backdrop of popular discontent despite Rouhani's election. Iran still cleaves to the "Resistance Economy" model as the Supreme Leader – Ali Khameini – declared in March 2017 that his country should focus on safeguarding its economy from any foreign interference. Moreover, Trump withheld his consent to certify the deal in October 2017, a decision that may prove to be the straw that breaks the camel's back. Trump's scathing stance against Iran is anathema to most European leaders who fear that such blistering rhetoric might scuttle the agreement and bring Europe and Iran's economic relations to a crossroads. In fact, companies willing to cooperate with Iran were already constrained by non-nuclear related sanctions and still had to scrupulously heed these hindrances.[13] Now that the United States is apparently backpedalling on the agreement, Europe would have to devise new strategies in order to bypass this obstacle.

American legislators now have until December to decide whether they will either impose new sanctions or keep the status-quo. The EU three (France, Germany and UK) seem at odds with the US and appear to be facing a mammoth conundrum. Should Congress reinstate nuclear sanctions, European leaders willing to uphold the deal should prepare new gambits allowing them to outwit the US. Extensive collaboration with Russia and China should be the overriding priority. A clear po-

$4.8 billion

value of the deal signed by Iran with France's Total in July 2017 to develop the South Pars gas field

litical discourse is also needed in order to reassure Iran and European companies as well. New mechanisms might be designed to protect European firms from American extraterritorial sanctions. However, Washington has a head start over Europe due to the fact that European banks are greatly interwoven with the US market.[14] In the meantime, Europe, Russia and China can use their leverage to try to mollify the Iranian regime while trying to persuade the US to abide by the agreement. Even though the Iranian Foreign Minister Javad Zarif declared that his country would remain in the deal even without the US, many American and European officials believe that further sanctions might prod Iran to resume its nuclear agenda.[15] Due to its geographic proximity to the Middle East, Europe is exposed to higher risks in relation to the current situation in the region. The EU believed that greater economic cooperation might placate Iran by allowing it to become a "responsible actor" in the area.[16] The current standoff with the US and the lack of incentives might spur Iran to pursue its regional policy agenda with little heed to Europe's interests.

Alternative horizons for Iran

With few options left, Iran is likely to turn towards Asia, especially China – and to a lesser extent Japan and Korea – to maintain its economic momentum. Indeed, China is practically sheltered from American sanctions and Iran has a central place in Beijing's One Belt One Road Initiative. This ambitious initiative that revolves around infrastructure projects and Eurasian integration might serve Iran's interests. China is already investing massive sums in Iran's transport and energy sectors. Teheran has now the opportunity to thrust into its immediate neighbourhood, providing a new alternative fuelled by China's impetus.

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With few options left, Iran is likely to turn towards Asia, especially China, to maintain its economic momentum.

2.3

A new "vision" for diversification in Saudi Arabia

Eugenio Dacrema
Associate Research Fellow, ISPI

SHARED PROSPERITY

The objectives envisioned by the Saudi government's long-term economic transformation plan "Vision 2030" represent nothing less than a top-down revolution of the economic and social structures of the kingdom. The plan was launched in April 2016 by the current Crown Prince Mohammad Bin Salman and constitutes the most ambitious diversification plan ever launched by a Gulf monarchy. It is meant to transform Saudi Arabia from a state-led, oil-dependent economy to a diversified and private-sector driven one. Such a transformation would include a deep rebalance of the labour market, today characterised by a relatively small private sector populated almost exclusively by foreign workers, and a public sector that employs more than 90% of Saudi national workers. Through a vast plan of privatisation of state enterprises and properties, the Saudi government aims to collect the resources necessary to establish the biggest sovereign fund of the world. The fund would then be employed to support a dramatic expansion of the private non-oil sector whose value is planned to increase from the current $43 billion to over $250 billion. This expansion would also lead to a significant diversification of the country's exports: the non-oil export share is planned to increase from the current 16% to 50%. Such a deep and structural transformation would be accompanied by the continuation of the "Saudisation" of the private labour sector, started under the rule of King Abdallah, and further pushed forward by King Salman. In fact, most of the private sector's expansion would occur through the employment of young Saudis, who would be encouraged to undertake new businesses and enterprises. Unlike previous generations, young Saudis entering the labour market would cease looking for low-productive jobs in the public administration and find employment in a competitive and well-remunerated private sector. According to the plan, by 2030 Saudi Arabia would become a solid, diversified economy, independent from oil-revenues, and characterised by a young and dynamic private sector.

The radical and profound transformations entailed by Saudi Vision 2030 provide at the same time great opportunities and significant risks for the future of the kingdom. The young and ambitious Crown Prince has bet much of his credibility on the success of the plan; in the medium and long term, a failure to achieve its goals may result in economic and political instability.

$250 billion
the expected value of non-oil sector in Saudi Arabia by 2030

Moving the economy away from oil

Vision 2030 does not constitute the first attempt to diversify the Saudi economy. Diversification has been pursued by the country's government for decades, although so far little has been accomplished. One of the main reasons for these failures is to be found in the trends of oil prices. Periods like the one comprised between 2009 and 2014 – 5 years when prices remained steadily over 100 dollars per barrel – have rendered the efforts for diversification mostly futile. In fact, the constant and abundant stream of revenues dramatically reduced the incentives for moving the economy away from oil-dependence. This is probably one of the main reasons that led King Salman, who acceded the Saudi throne in 2014, to in-

THE AIMS OF SAUDI VISION 2030

From 8m to 30m

The planned increase in annual Umrah visitors

7%

Unemployment rate, down from 11.6% today

5.7% of GDP

The planned contribution of foreign direct investment. Today it stands at 3.8%

65% of GDP

Private sector contribution, up from 40% today

5 universities

In the top 200 global ranking for education institutions

30%

Women expected to be in the workforce, up from 22% today

SAR 7 trillion

Expected in Public Investment Fund assets, up from SAR 600bn today

50%

Localised military spending, up from 2% today

16% to 50%

The expected increase in non-oil GDP exports

SAR 1 trillion

in non-oil government revenue, up from SAR 163bn today

40%

Of individuals exercising at least once a week, up from 13% today

80 years

The average life expectancy, from 74 years old today

Data: Vision 2030

5%

of the national oil company ARAMCO will be sold to private stakeholders

crease dramatically the country's oil production at the end of that year. The objective of this move was twofold: first, by letting the oil price dramatically fall below 100 dollars (sometimes reaching record-low levels at 30-35 dollars), the kingdom aimed to conquer as many market quotas as possible in order to assure its long-term leading position in the energy market and, at the same time, to eliminate or significantly curb the production of alternative extra-OPEC sources such as shale gas and in-depth extractions. Second, by keeping the price steadily below the current breakeven price of the Saudi budget, the leadership created the incentives to quickly implement the economic reforms aimed at moving the national economy away from oil dependence.

The second key move planned for the implementation of Saudi Vision 2030 is the privatisation of national companies and properties. The kick-start moment will be the sale of 5% of the Saudi national oil company ARAMCO. This bold move, planned for the beginning of 2018, is meant to earn the State Treasury around $100 billion. This money is planned to be allocated to a new sovereign fund which will be utilised for programmes aimed at supporting new private businesses and the dramatic expansion of the non-oil sector envisioned by Vision 2030.

$100 billion

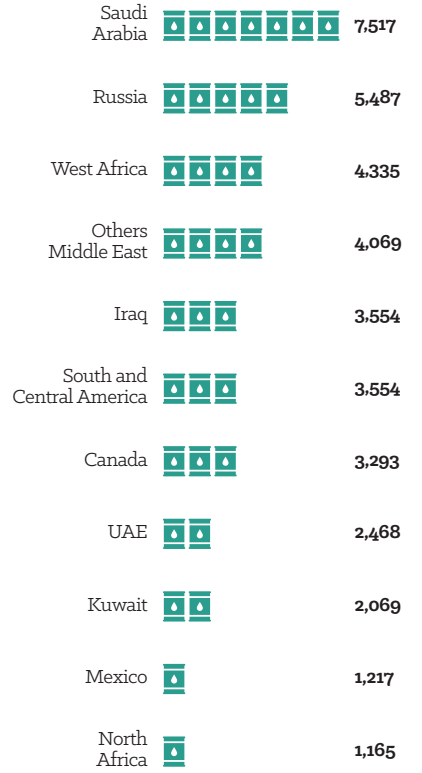
the expected earning from the sale of ARAMCO quotas

The risks ahead

Since the launch of the plan, the Saudi leadership – especially King Salman and his son (and current Crown Prince) Mohammad bin Salman – has demonstrated a strong commitment toward its implementation. However, after some initial swift steps ahead, significant obstacles started to emerge.

First, the fall of oil prices was more dramatic than forecasted. While the Saudi leadership had envisioned a stabilisation around $50-60 per barrel, in 2015 and 2016 prices fell significantly below this threshold, leading the Saudi government to employ its financial reserves to balance the budget at a faster pace than forecasted, and causing major economic problems for other oil-producing countries. This situation pushed the Saudi government to negotiate a production cut with Russia and

Crude oil exports (thousands barrel/day)



Data: British Petroleum (2016)

the other OPEC members. The reversal of the oil-price trends caused by this move is considered potentially dangerous for the implementation of the most severe measures entailed by Vision 2030, which include cuts in subsidies, public salaries, and the introduction of a VAT tax. In April 2017, following the first significant increase in oil prices, the Saudi government reversed the cuts of public sector salaries and bonuses that it had introduced few months earlier after some protests from the employees. A decision that many observers saw as a step backward in the reform programme.

A second set of obstacles are emerging regarding the sale of the 5% share of Saudi ARAMCO. A first obstacle is represented by the difficulties in assessing the market value of the company. In fact, numerous experts have raised doubts regarding the real amount of reserves available to the company and its future independence from the Saudi government

which, despite the public sale, will maintain possession of 95% of its shares. If the Saudi leadership is not able to provide satisfactory answers on this point, the sale may not generate the expected earning and thus imperil the capacity of the planned sovereign fund to stimulate the expansion of the private sector. Furthermore, selling ARAMCO's shares through an Initial Public Offering (IPO) may legally impair the Saudi government to openly exert influence on oil prices through its de facto leadership of OPEC, since this would amount to indirect price-control exercised by a publicly listed company through the Saudi government, its major shareholder. To overcome these obstacles, the Saudi leadership is considering the option of selling ARAMCO's shares privately, to big investors and sovereign funds. In particular, the Chinese government is rumoured to be interested in the private purchase of a significant stake.

Finally, risks may emerge from the internal stability of the monarchy. Last June, King Salman deposed his former Crown Prince, his nephew Mohammad bin Nayef, and appointed to the position his young son, the 32-year-old Mohammad bin Salman. Until that moment, the latter had been the vice Crown Prince, while the 58-year-old bin Nayef had been nominated Crown Prince in a move apparently aimed at appeasing the rest of the royal family. In fact, several princes were rumoured to be concerned about an excessive concentration of power in the hands of Salman and his line of succession. However, since the coronation of his father, Mohammad bin Salman has been given de facto absolute powers on nearly every branch of the state, including the economy, the army, and the security forces. While some see his official nomination as crown prince as a move made from a position of strength to further consolidate his power, others see it as a move dictated by sudden fears over the delicate health of the king, to curb opposition from within the royal family. Even if apparently silenced by the nomination of Bin Salman as Crown Price, this internal opposition may still have a say in the future of the country, especially if the bold plans of Salman and his son reach a dead-end.

A long-term vision

In sum, Saudi Vision 2030 represents one of the boldest reform programmes ever proposed in the MENA region. If implemented, it promises to reshape from the bottom the economic and social structure of the country and to set a new, more sustainable course for the economy away from oil-dependence. The current Saudi leadership has demonstrated to be fully committed to its realisation and some first important steps have already been taken. However, the road ahead for its implementation is still long and some serious obstacles have already emerged. Oil price trends, difficulties to successfully sell the 5% percent stake in ARAMCO, and opposition from within the royal family may represent major risks for the economic and political stability of the country in the medium- and long-term.

It is precisely the IPO of Saudi ARAMCO in 2018 that may be key to determining the future success of Saudi Vision 2030. Much of the credibility of the current Saudi leadership depends on its successful outcome. A failure to achieve the forecasted targets may result in a chain reaction that in the medium-term may undermine the legitimacy of the current leadership and, along with it, the entire realisation of Vision 2030.

#med2017

Saudi Vision 2030 represents one of the boldest reform programmes ever proposed in the MENA region

2.4 Energy as a bridge in the eastern Mediterranean?

Simone Tagliapietra
Research Fellow, Bruegel and Senior Researcher, Fondazione Eni Enrico Mattei (FEEM)

SHARED PROSPERITY

In the last few years, there has been a series of offshore gas discoveries in the waters of Israel, Cyprus and Egypt. These have raised hopes about the potential role the eastern Mediterranean region could play as a new energy supplier. The discoveries also raise the issue of the potential for cooperation on energy to solve long-lasting regional geopolitical tensions, such as over the divided island of Cyprus.

Though availability of gas resources does not automatically imply deliverability, regional companies and governments have started to work on various export plans aimed at supplying eastern Mediterranean gas to the neighbouring markets of Europe and Turkey. Pipelines (e.g. the East-Med pipeline project and the Israel-Turkey pipeline project) and liquefied natural gas (LNG) projects (e.g. the Vassilikos LNG project and Israel's onshore and offshore LNG projects) were promptly proposed.

However, the initial high hopes have been dampened as geological and regulatory obstacles have arisen. In Cyprus, where the discovery of gas was welcomed as a gift to relieve the country of its financial troubles, there have been successive downward revisions of the estimated resources. In Israel, a long-lasting internal political debate on the management of the gas resources created a climate of uncertainty that has delayed key investment decisions.

New prospects after the discovery of Zohr gas field

Hopes revived in 2015 when Egypt's large offshore Zohr gas field was discovered – the largest ever found in the Mediterranean. Considering its size, this discovery has reshaped the regional gas outlook, and also renewed the prospects of new regional cooperation.

Zohr will primarily serve the Egyptian domestic market. As a result of rapid decline in domestic gas production, Egypt has struggled over the last few years to meet its domestic demand. It even began importing LNG in 2015, while Egypt's LNG exports dropped to zero in 2014, leaving the country's two LNG plants, Idku and Damietta, completely idle. Zohr thus represents a major relief for Egypt's constrained gas market.

Furthermore, Zohr could be the first of a new string of gas discoveries off the Egyptian coast. International oil and gas companies have already started to increase operations in the area, and if Zohr and other offshore fields reach their full potential by the mid-2020s, Egypt might again become an LNG exporter.

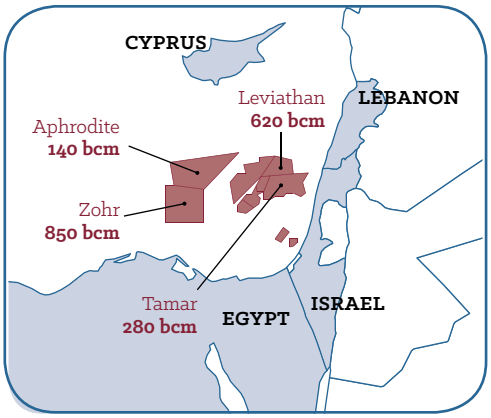
Zohr's impact could be felt well beyond Egypt's boundaries. Zohr is located only 90 km from the Aphrodite gas field in offshore Cyprus, which in turn is only 7 km from the Leviathan gas field in offshore Israel. This proximity could allow the coordinated development of the fields and thus the economies of scale needed to put in place a competitive regional gas export infrastructure.

With the LNG plants at Idku and Damietta currently inactive, Egypt could start to export the gas not needed for the domestic market. Even taking into account the growing domestic demand in Egypt, it is fair to assume that some export capacity would be left for Israeli and Cypriot gas – if it could be brought to the Egyptian terminals. As both LNG plants can be expanded, Israeli and Cypriot developers would have a flexible outlet.

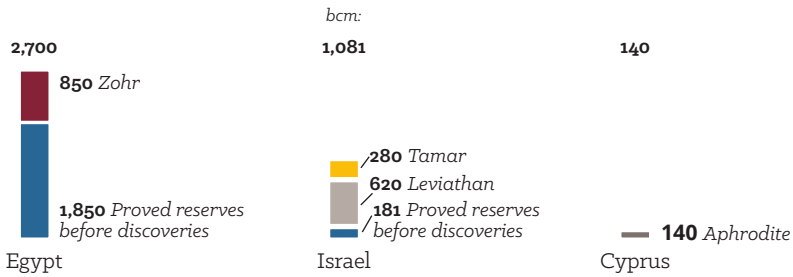
155.5%
the loss of Egyptian surplus of natural gas, 2009-17

THE WEALTH UNDER THE EASTERN MEDITERRANEAN

New discoveries of natural gas basins

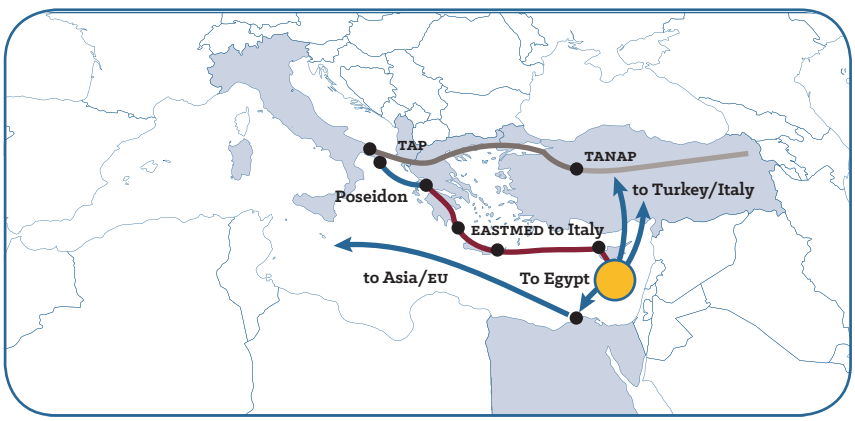


Proved natural gas reserves and new discoveries



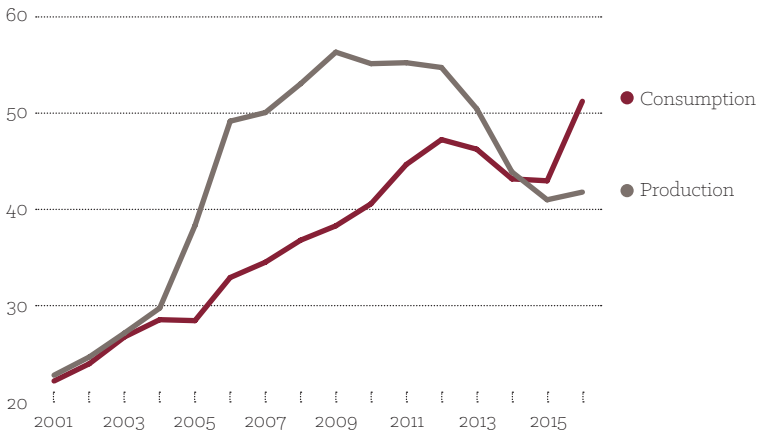
A POTENTIAL GAS HUB

Pipeline and export projects in the eastern Mediterranean



Data: ENI

Natural gas production and consumption in Egypt (Mtep)



Data: British Petroleum

For Israel and Cyprus, cooperating with other players in the region is crucial. Building the export infrastructure and developing the fields is a circular problem: if there is a political or commercial risk that no export infrastructure will be in place when production starts, a lot of money will be lost. If the field underperforms compared to expectations, expensive export infrastructure will sit idle. Consequently, bringing together an underused and scalable export infrastructure and several promising fields could be the key to unlocking untapped regional potential.

Utilising the existing Egyptian LNG infrastructure for the export of eastern Mediterranean gas would also have another major benefit: geopolitical flexibility. In the eastern Mediterranean region, multiple conflicts persist: the Cyprus issue; the changing relationships between Turkey, Israel and Egypt; Israel's relations with neighbours; the Turkish-Greek disputes over the Aegean. In such a geopolitically-complex region, committing to new costly and long-term energy infrastructure might prove to be difficult for international energy companies. But connecting offshore gas fields to the existing LNG infrastructure in Egypt might represent an efficient and viable solution for the monetisation of regional resources.

A joint regional export scheme through Egypt's LNG facilities could also provide a first opportunity to test cooperation on gas between Egypt, Israel and Cyprus. Cooperation could be scaled-up during the 2020s, should new gas resources be found in the region and should gas demand in export markets justify the construction of additional infrastructure, such as an Israel-Cyprus-Greece pipeline.

Assessing the benefits for EU and Egypt

For the European Union, the emergence of an eastern Mediterranean gas hub would be beneficial for both energy policy and foreign policy reasons. In terms of energy policy, the joint exploitation of eastern Mediterranean gas resources could, already in the short-term, contribute to the EU's long-standing gas supply diversification strategy. In terms of foreign policy, even if eastern Mediterranean gas cooperation is not sufficient by itself to function as a catalyst for overall regional stability, it would be one of the few areas over which sensible regional dialogue could be established.

On this basis, the EU should become more engaged in energy developments in the eastern Mediterranean, for instance by establishing an "Eastern Mediterranean Energy Diplomacy Task Force" that would facilitate regional dialogue about the establishment of an eastern Mediterranean gas hub based on Egypt's existing LNG infrastructure. This initiative should not only focus on natural gas,

#med2017
connecting offshore fields to existing LNG infrastructure in Egypt is an efficient, viable solution for the monetisation of regional resources

but also on renewable energy. In fact, natural gas and renewable energy sources such as wind and solar should well be considered as the two sides of the same (eastern Mediterranean energy) coin.

Between 2000 and 2016, Egypt's primary energy demand has doubled and electricity demand has even tripled. Egypt has mainly satisfied this booming demand by increasing the utilisation of natural gas in domestic electricity generation. In fact, while being richly endowed of renewable energy resources, Egypt still produces only less than 2 percent of its electricity via wind and solar. Promoting a greater utilisation of wind and solar could thus be highly beneficial for Egypt and its energy requirements. In this way, Egypt could also free up additional volumes of natural gas, otherwise used in the domestic electricity generation sector. Gas exports would generate immediate economic returns for the country, that could also be invested in supporting the further deployment of renewable energy. Such a virtuous circle would be thus greatly beneficial for both Egypt (i.e. both in terms of revenues and sustainability) and Europe (i.e. in terms of additional gas imports from the region).

Considering the importance of this 'natural gas – renewable energy nexus', it would be important to engage in a newly established "Eastern Mediterranean Energy Diplomacy Task Force" not only the private and public players involved in regional natural gas developments, but also the ones involved in regional renewable energy developments. In particular, institutions like the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the Association of Mediterranean Energy Regulators (Med-Reg) and the Association of Mediterranean Transmission System Operators (Med-TSO) should all be included in the new initiative. On this basis, a new "Eastern Mediterranean Energy Diplomacy Task Force" would not only function as a facilitating platform for regional gas cooperation, but also as a powerhouse of overall regional energy sustainability.

#med2017
gas cooperation represents one of the few areas where sensible regional dialogue could be established

2.5 The blue economy: a driver of shared prosperity

Giuseppe Provenzano
Expert, Union for the Mediterranean (UfM)

SHARED PROSPERITY

Exploitation of marine resources has traditionally been a field where international rules and cooperation were strongly needed. The international dimension of marine issues has led to an early development of the law of the sea, based on both customary law and multilateral treaties. A turning point was the 1982 United Nations Convention on the Law of the Sea (UNCLOS), considered by some the "Constitution of the sea". Marine resources are assets for the region, and crucially so in a semi-enclosed basin such as the Mediterranean: migratory fish stocks, maritime cultural heritage, and sea currents straddle across political boundaries. Sea-borne shipping, moving 80 percent of trade volumes,[1] would not generate prosperity with hard borders. Similarly, the same commonality can be seen in threats such as waste circulation, acidification of the oceans and sea-level rises. The nature of the challenges highlighted in the Sustainable Development Goals (especially the 14th: "*Conserve and sustainably use the oceans, seas and marine resources for sustainable development*") and at the 2015 Paris Climate Conference further underscore the fact that marine issues are interconnected and relevant to everybody. Ignoring the degradation of common resources can have dire consequences: recent analyses have shown that 93% of the assessed fish stocks are overexploited, and a number of them are on the verge of depletion. Furthermore, the Mediterranean Sea has lost 41% of its marine mammals and 34% of the total fish population over the past 50 years.[2]

93%
of the assessed fish stocks is overexploited

34%
of the total fish population of the Mediterranean has been lost over the past 50 years

Defining the blue economy

The blue economy gives a holistic answer binding together sea-based economic activities while ensuring a sustainable exploitation of the most visible shared resource in the Mediterranean: the sea itself. Promoting regional solutions is a way of reversing dangerous environmental trends while reinforcing a development agenda for the most embattled coastal communities, providing decent jobs, and fighting the deep roots of migration.

As a concept, the blue economy was structured during the "Rio +20" United Nations Conference on Sustainable Development (UNCSD) held in Rio de Janeiro on 20-22 June 2012, where a green economy roadmap was launched. The blue economy was designed in line with the concept and principles of the green economy, adapting them to the needs of small-island states and coastal countries. A synthetic definition is offered by the Union for the Mediterranean (UfM) Ministerial Declaration on Blue Economy (17 November 2015, Brussels), where it is hinted that it may include "*the set of human activities depending on the sea and/or underpinned by land-sea interactions in the context of sustainable development, and notably including industrial and service sectors such as aquaculture, fisheries, blue biotechnologies, coastal and maritime tourism, shipping, ship-building/repair, ports, ocean energy and marine renewable energy, including offshore wind*".[3]

Despite these many possible maritime sectors where economic growth is feasible, the European Commission has recently identified some specific ones based on their potential: blue energy, aquaculture, coastal and maritime tourism, blue biotechnology and sea-bed mining. Innovation and research in particular make the blue economy an unmissable opportunity for the region. Even

if the maritime economy already accounts for over five million jobs generating almost €500 billion a year in the EU alone[4] (according to *Federazione del Mare*, €33 billion directly generated in Italy),[5] the rapid growth of offshore renewable energy has generated 150,000 jobs in the last five years.

Some axes for action

The Mediterranean Sea has in fact many regional actors and initiatives already working towards maritime economic sustainability and marine environmental integrity. For instance:

- **Concerning fishery management**, the General Fisheries Commission for the Mediterranean (GFCM) has long been acting in the common interest as one of the oldest regional fisheries management organisations with a mandate to ensure the conservation and the sustainable use of living marine resources and the sustainable development of aquaculture.
- **Research initiatives** such as the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) and BLUEMED have been expanding research cooperation between the two shores of the Mediterranean.
- **As for the safeguard of the sea**, both the Barcelona Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean and the Mediterranean Action Plan of the United Nations Environment Programme aim at the good environmental status of the sea with ambitious goals such as the depollution of the Mediterranean.

The role of local authorities can hardly be overstated, as they are best placed for understanding the challenges of peripheral coastal communities and for turning them into opportunities. A vibrant example is offered by the Fisheries and Blue Growth District of Mazara del Vallo, Italy, a cluster whose vision is to chart a new route for the Sicilian fishery sector through the principles of the blue economy.

As a way of strengthening local ownership, the Bologna Charter signed by many local authorities offers a bottom-up approach to the blue economy, by strengthening the role of local coastal administrations in the context of European initiatives in the Mediterranean, while a supporting mechanism is provided by the Conference of Peripheral Maritime Regions, which brings together some 160 regions from 25 states outside and inside the European Union.

Different policy tools are being developed in the EU and in the Mediterranean, such as Maritime Spatial Planning and Integrated Coastal Zone Management. These allow for multi-stakeholder pre-planning of economic activities by mapping and marking marine areas for different uses, incentivising new economic activities and preventing unsustainable practices (by ensuring cumulative environmental sustainability).

The UfM role

Being fully aware that clean and healthy seas are drivers for regional growth, the Union for the Mediterranean has strongly promoted the implementation of a blue economy vision. As an organisation bringing together the 43 countries of the Euro-Mediterranean region based on co-ownership between the two rims of the basin, it is in a unique position for ensuring coherence of efforts and synergies in the implementation of the blue economy in Mediterranean.

Recognising the value and the experience offered by many institutions for achieving this goal, the UfM approach has been to connect existing positive initiatives already operating in the field, fostering synergies among them, promoting responsible production and consumption, addressing growing coastal urbanisation and connectivity, increasing maritime security, decent jobs and training, and improving knowledge and data sharing.

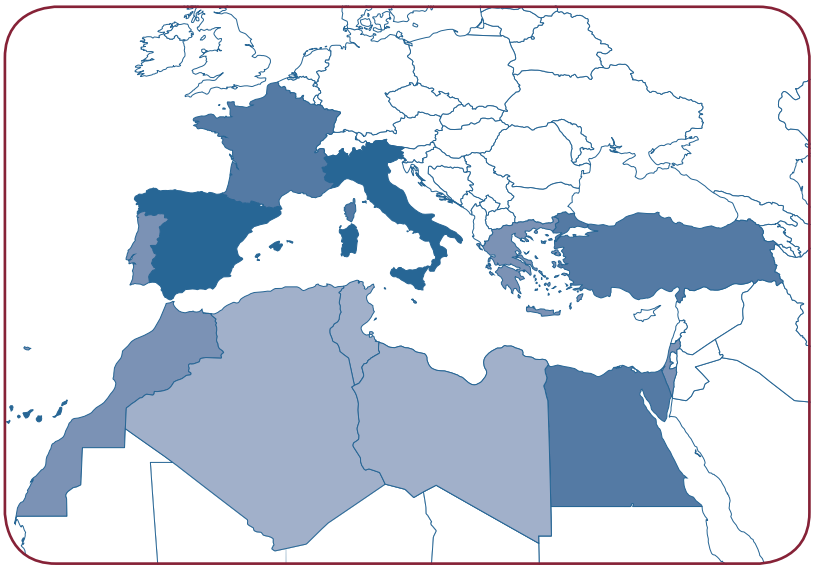
According to the UfM Deputy Secretary General for Water and Environment Miguel Garcia-Herraiz, "it is at the core of the UfM to treat the Mediterranean as a common heritage to be preserved, at the same time, it is an instrument for development which must be promoted."

150,000

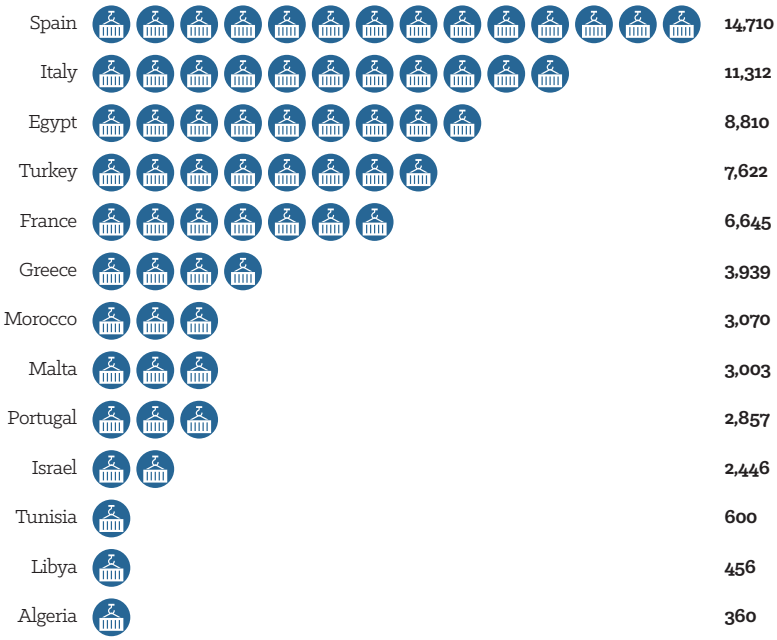
jobs created by maritime economy in the EU over the last five years

MEDITERRANEAN TRAFFIC (2016)

Container port traffic



thousands of TEU



Data: World Bank

Building on the above-mentioned UfM Ministerial Declarations on the blue economy, the UfM is developing a regional maritime governance initiative focusing on the western Mediterranean sub-region, WestMed, in line with the similar experience of the EU Strategy for the Adriatic and Ionian Region (EUSAIR). This initiative will allow 10 western Mediterranean countries to work together to increase maritime safety and security, promote sustainable blue growth and jobs, and preserve ecosystems and biodiversity.

A key milestone was the UfM Regional Stakeholder Conference on Blue Economy held in Naples on November 2017, where hundreds of experts, local and international authorities, as well as policymakers gathered to discuss practical ways to promote a sustainable blue economy in the Mediterranean region.

Opportunities for growth and development

These efforts towards sustainability and development link the Mediterranean Basin to wider global efforts towards international ocean governance, an initiative about managing and using the world's oceans and their resources in ways that keep oceans healthy, productive, safe, secure and resilient.

According to the Organisation for Economic Co-operation and Development (OECD), the ocean economy might double from 2010's 1.5 trillion dollars to 3 trillion dollars in 2030.[6] Many positive outcomes could be foreseen by exploiting this potential. The creation of jobs in local communities connected to sustainable fishery and tourism would offset a trend associated to reduced employment in the maritime sector. Sea-based renewable energy production would increase electricity supply to deprived areas, allowing local sustainable economic growth. By offering a prosperous future to youth living in coastal communities, there would be a positive effect against the so-called deep roots of migration forcing youths to abandon their coastal areas in order to look for better opportunities elsewhere.

In a region beset by youth unemployment, the cooperation opportunities offered by "blue" technology transfer, co-research, sharing of best practices, training and exchanges of students and researchers create avenues for spreading common positive solutions for human and sustainable development between the two rims of the Mediterranean.

The blue economy offers a way to embrace this growth potential and spread it to communities often hard hit by traditional and new challenges, such as youth unemployment and climate change, in a way that does not threaten their long-term sustainability. It is up to the Mediterranean as a whole to embrace this opportunity and make it a building block of shared prosperity.

#med2017
the blue economy offers a way to embrace growth potential and spread it to communities often hard hit by traditional and new challenges

3

MIGRATION

3.1 A migration policy for the EU: solidarity through partnerships

Matteo Villa
Research Fellow, ISPI

MIGRATION

Migration to Europe is today's bogeyman. Over the centuries, high and persistent migratory pressures at a nation's borders have often elicited strong reactions by long-time citizens. This is why, after more than five years of high migratory flows to Europe through the southern and eastern Mediterranean, the current political environment seems unconducive to finding a solution to the common challenge of managing migration together. If anything, the situation today appears to have further deteriorated. Two years ago, many EU countries sided in favour of an unprecedented derogation to Dublin rules by adopting an emergency relocation mechanism. While a number of eastern European countries had been at the forefront of an anti-solidarity pushback against such measures, they appeared to be internationally isolated. Today, on the contrary, many governments in western Europe seem to be leaning in the same direction, as shown by recent elections in the Netherlands, Germany, and Austria that have bolstered parties in favour of restrictive policy responses to migration. The question, then, is whether the current preference for finding solutions that are both national (instead of European) and repressive (instead of accommodating) can be viable and sustainable over the long run. If the answer is no, there should be a search for reasonable and feasible solutions. In order to do so there is a huge need to put all the pieces together.

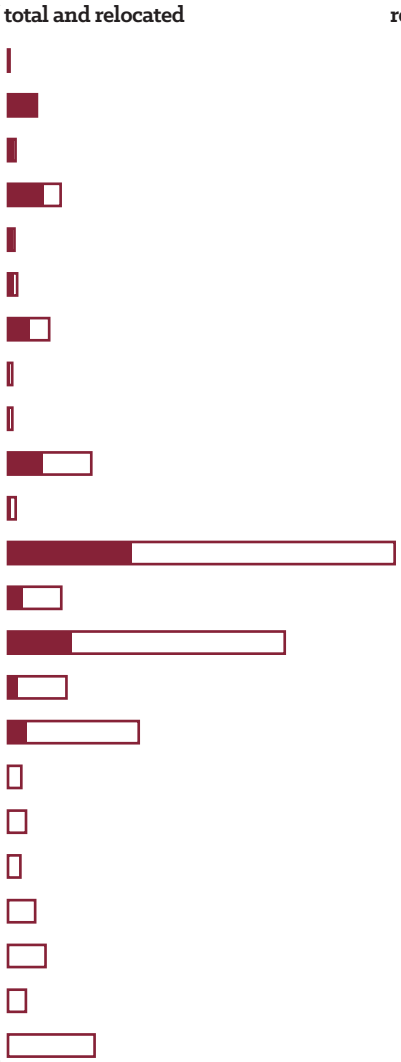
250 million
world inhabitants are international migrants

Migration is here to stay

At the end of 2016, almost 250 million world inhabitants were international migrants. They only amounted to 77 million in 1960, meaning that they tripled in half a century. This almost linear increase masks a different one: a drastic increase in forced migrants, persons compelled to flee their homes due to conflict and political instability rather than in search for jobs or for family-related reasons. As the Cold War ended, the number of refugees and asylees dropped from 20 million in 1990 to 13 million in 2005. Bucking this trend, between 2013 and 2016 the global refugees population grew by 50%, from 15 to 22.5 million, climbing back to and overtaking its 1990 peak. A tripling in international migrants in half a century is impressive, as is the recent surge in forced migration. But one should also note that since 1960 the world population has grown by 2.5 times, from 3 to 7.6 billion. In relative terms, then, the international migrant population has grown only slightly, from 2.5% in 1960 to 3.3% today. Meanwhile, regional trends can vary, being mostly influenced by geographic proximity, the differential in income per capita, and socio-cultural links between origin and destination countries. This shows why Europe is a key destination. Future demographic and economic trends, together with geopolitical crises that might facilitate irregular border flows, are crucial to gauge expectations on the propensity of people from other regions to migrate to Europe. In spite of its high relevance, the geopolitical side of the equation is the least predictable one. Demographics and economics, on the other hand, are fairly easier to anticipate. As the population of the EU is almost unchanged at 500 million since 1990, Sub-Saharan Africa's inhabitants have doubled from 500 million to 1 billion over the last quarter century, and are poised to double again to 2 billion by 2050. If the rate of international migration by Africans remains the same, we can expect that demographic pressures by 2050 will generate 30 million new in-

The failure of intra-European solidarity

Relocation of asylum seekers from Italy and Greece to other EU countries as of October 2017



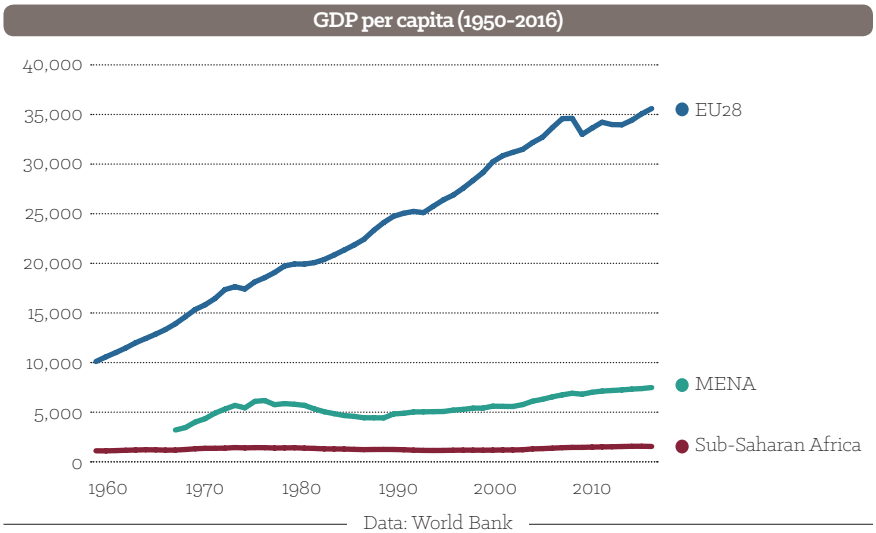
countries	relocated	total	%
Malta	168	131	>100%
Finland	1,979	2,078	95%
Luxembourg	430	557	77%
Sweden	2,550	3,766	68%
Latvia	321	481	67%
Lithuania	382	671	57%
Portugal	1,532	2,951	52%
Cyprus	143	320	45%
Estonia	141	329	43%
Netherlands	2,487	5,947	42%
Slovenia	217	567	38%
Germany	8,722	27,536	32%
Belgium	1,026	3,812	27%
France	4,468	19,714	23%
Romania	728	4,180	17%
Spain	1,286	9,323	14%
Croatia	78	968	8%
Bulgaria	50	1,302	4%
Slovakia	16	902	2%
Austria	15	1,953	1%
Czech Republic	12	2,691	0%
Hungary	0	1,294	0%
Poland	0	6,182	0%

Data: European Commission

ternational migrants, 10 million of which may attempt to reach Europe. On the economic side, a crucial variable is the income gap. Many Sub-Saharan African countries experienced substantial GDP growth over the last 15 years. Despite this, GDP per capita has grown only marginally: the current average GDP per capita in Sub-Saharan Africa is stuck at $1,650, or about twenty times lower than an average EU citizen ($34,900). All this leads to one conclusion: migration is here to stay. Structural migratory pressures to Europe from the African continent are not likely to abate any time soon – in fact, they are poised to increase.

The failure of intra-EU solidarity

Despite the reality of high present and future migratory pressures, the EU migration and asylum governance system is still a patchwork of national and EU-wide rules. Each member state decides autonomously whether and at what conditions to allow non-EU migrants to enter the country. Irregular migration to the EU is therefore difficult to monitor or regulate



+50%

the growth of global refugee population between 2013 and 2016

at supranational level, being also a function of how strict national policies are. Meanwhile EU-wide norms – the so-called Dublin rules – establish which country is responsible to examine an application for international protection. Most often, these rules result in the first country of arrival in the EU being ultimately responsible. While awaiting for a response, asylum seekers must remain in the country responsible for their application. And even after receiving protection, non-EU nationals can move to another EU country for short periods, but cannot live or work there before becoming EU citizens. This way, norms born to avoid multiple applications by the same asylum seekers ("asylum shopping") end up having perverse effects when flows are systematically directed towards some first countries of arrival rather than others. This is what happened during the most recent refugee crisis, as almost every irregular migrant since 2011 entered Europe by sea, landing on Greek, Italian or Spanish shores. Pressured by the asymmetry of the current system, Italy and Greece heavily lobbied for an overhaul. Eventually, in 2015 EU member states decided to adopt an emergency mechanism that temporarily derogated to the Dublin rules, allowing for the relocation of about 100,000 asylum seekers from Italy and Greece to other Dublin countries. In September 2017, however, the programme came to an underwhelming end, with relocations stuck at 30% compared to initial commitments, amounting to just 2% of irregular arrivals to Italy and Greece over the same period. This situation is compounded by the fact that, in late 2015, a number of western European countries (including Germany, Sweden, and Austria) partially suspended the Schengen agreement, reintroducing checks at internal borders. This forced an even larger number of migrants to remain stuck in Italy and Greece, instead of attempting to circumvent Dublin rules by crossing irregularly into a second EU country. According to the Schengen Borders Code, countries may reintroduce border controls for four consecutive periods of six months each. Suspensions should have therefore ended on 11 November 2017. Despite this, many countries suspending Schengen announced a further six-month prorogation, and do not appear to be willing to back down on their plans until the risk of secondary movements within Europe abates significantly.

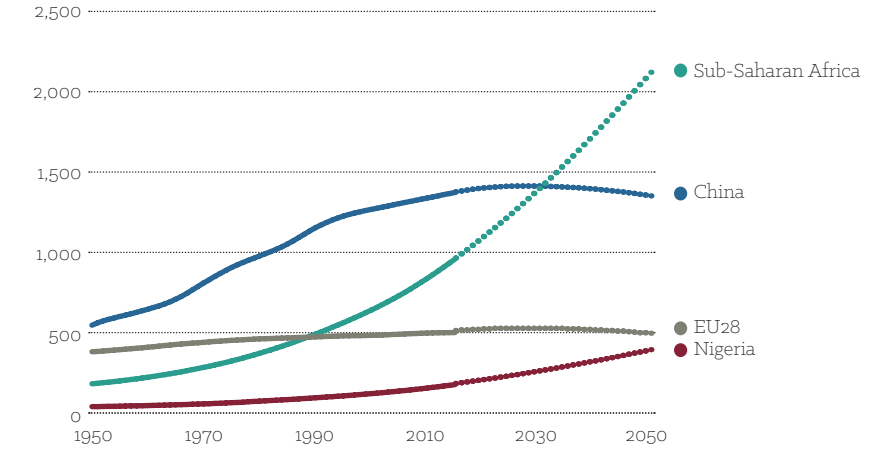
2 billion

Sub-Saharan Africa population by 2050

Migration partnerships and legal pathways to Europe

The political impasse within Europe makes the already fragile Dublin rules less and less sustainable. Acknowledging the drawbacks of the current system, the European Commission has proposed a substantial overhaul of the Dublin rules that would make the emergency relocation mechanism permanent. In

Past, actual and projected population in selected world regions (1950-2050, in millions)



Data: UN Population Division

October 2017, a committee of the European Parliament proposed an even more radical solution, turning relocations into the default option. While the logic of these proposals is sound, their political feasibility in the current climate decreases as the proposals become more ambitious. This sombre assessment does not imply that nothing can be done. In fact, the EU-Turkey agreement in March 2016 and the current cooperation to stymie irregular flows from Libya show that European countries are willing to discuss policies that "externalise" migration management to third countries. The Migration Partnership Framework adopted in 2016 goes precisely in this direction. And it is probably the best option to push forward viable changes in EU migration policies while also leveraging cooperation between the northern and southern shores of the Mediterranean. As they stand, Migration Partnerships have many problems. They tend to tie development assistance in African origin or transit countries to their cooperation in deterring migration flows. This kind of negative conditionality has little to make it palatable and sustainable over the long term. This is why the partnerships could be enhanced by linking actual declines in irregular migratory movements to Europe to an increase in legal migration quotas. The benefits of doing so would be numerous. By offering new legal pathways to Europe, the plan would proactively discourage illegal practices. It would 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. In sum, the absence of effective, substantial legal pathways to reach Europe is the main 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 may be the way out of the impasse. The challenge posed by irregular migration has no easy long-term solution. But it is a challenge that needs to be faced nonetheless, as migration to Europe is here to stay. Migration Partnerships offer a way to bring the two shores of the Mediterranean closer together in managing migratory flows. This is why, even in a divisive political climate, a positive dialogue between northern and southern Mediterranean countries is much needed in order to achieve lasting results.

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The Migration Partnership Framework is the best option to push forward viable changes in EU migration policies while also leveraging cooperation between the northern and southern shores of the Mediterranean

3.2 Managing flows through the central Mediterranean

Mattia Toaldo
Senior Policy Fellow, ECFR

MIGRATION

After the closure of the Balkan route in March 2016, irregular migration to Europe has taken place mostly through the central Mediterranean route, which runs from Sub-Saharan Africa, through Libya and eventually ends in Italy. In 2016 and in 2017, most of the irregular arrivals by sea to Europe happened through this route, stressing the Italian reception and asylum systems and creating strains in its relations with the rest of the EU. Until July 2017 there seemed to be no ready-made policy capable of stemming the flows from the central Mediterranean, which is ultimately Europe's main goal. The EU, with a strong Italian and Maltese leadership on the issue, had put in place a number of measures: training of the Libyan Coast Guard; operation Sophia to fight smugglers in the high seas; revamping the EU Border Assistance Mission (EUBAM) for Libya; a wider programme of support for Africa through the EU Trust Fund and other development aid; a specific cooperation with Niger aimed at closing the route upstream. While the International Organisation for Migration (IOM) reported a drop in flows from Niger into Libya, little of this seemed to affect the immediate trend of migration from Libya into Italy, where arrivals could be counted in the thousands per night.

50,000
number of people to resettle under the supervision of UNHCR according to the proposal of the EU Commission

15,000
migrants died in the Mediterranean over the last 4 years

The Libyan conundrum

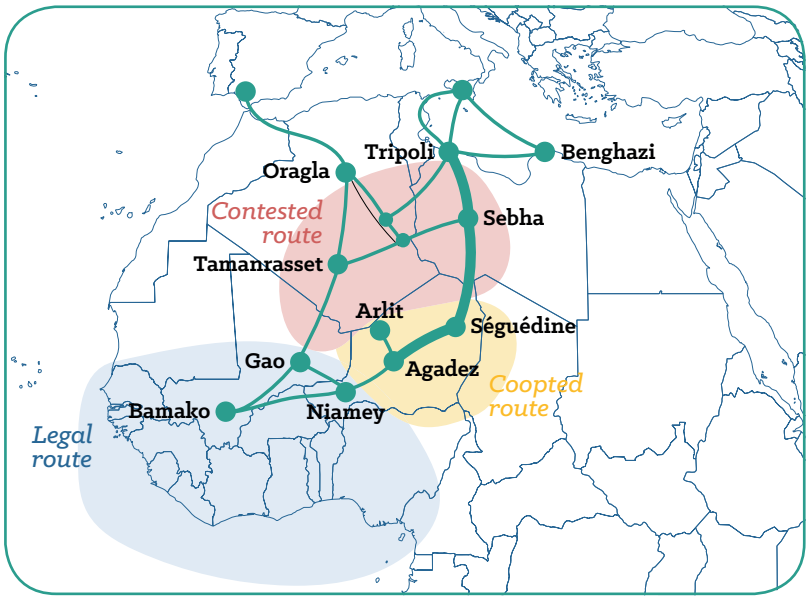
Things have started to change in the middle of last summer when flows dropped dramatically as a result of the EU-Libyan-Italian cooperation in strengthening the Libyan Coast Guard, which intercepted most migrants bringing them back to Libya, and the decision of some smugglers to stop their business in irregular migration. But this solution is unlikely to resist in the long term. Rival smugglers not included in the agreement with Italy could challenge the deal while the militias that have so far upheld the agreement – and that often happen to have a formal official affiliation with the UN-backed Government of National Accord – are highly unstable and unpredictable. A more positive, long-term agenda has to be pursued if migration flows between sub-Saharan Africa and Europe are to be managed and it should guarantee mutual protection: of African people on the move and of European citizens who want to protect their borders.

Change in Libya is unlikely to come easily. People smuggling is a key component of the growing informal sector which is both the only source of revenue for some border communities and the main activity of armed groups which often live a double life: formally part of the government, in fact complicit when not protagonists of illicit activities. The government and central institutions are at the nascent stage and ultimately uncontrolled migration flows are the result of the lack of rule of law, which allows armed groups to prosper and hinders the affirmation of an effective and accountable state security sector while condoning the systematic abuse of migrants, and which is ultimately a consistent driver of migrations towards Europe. The EU Border Assistance Mission is already working on improving the rule of law but the Libyans will have to do most of the leg work and much will depend on whether the country eventually gets a reunified government and military institutions through the ongoing political process.

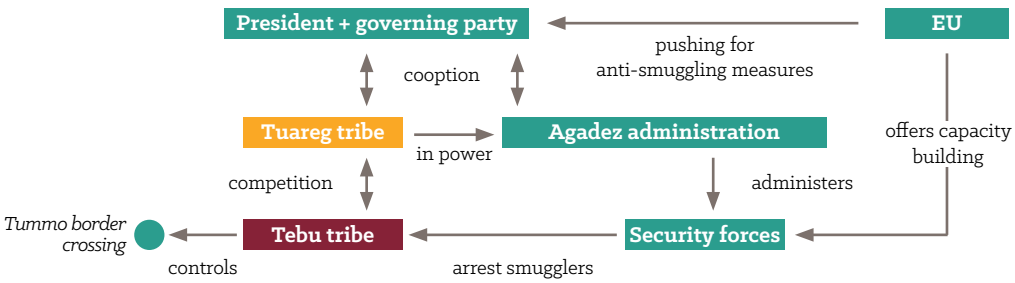
Cooperation between Libya's neighbours is essential. While Libya is unable to control

BEHIND THE MED CORRIDOR

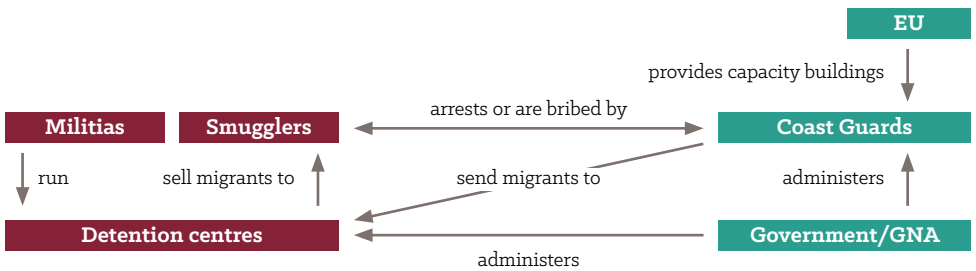
Main migration routes from Sub-Saharan Africa towards Libya



Migration dynamics and actors in Niger



Migration dynamics and actors in Libya



Data: Cliengedael

its southern borders, much could be done by countries like Niger and Chad. Algeria, Tunisia and Egypt have a big role to play in ensuring that Libyan subsidized goods do not end up in their markets, fuelling the illicit sector of which people smuggling is just one facet. Most importantly, Libya's neighbours can do a lot to encourage reconciliation and the political process among Libyans, thus providing a crucial contribution to the establishment of the rule of law in the country.

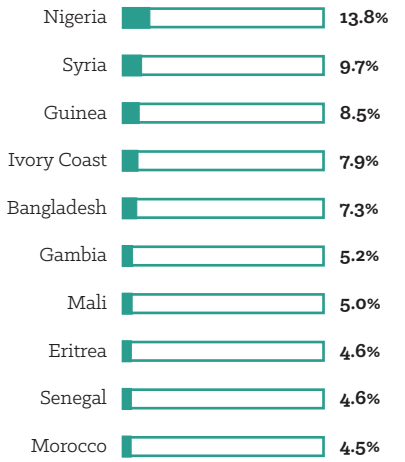
While working on change with Libya, Europe and Libya's neighbours will have to manage migration flows making sure that as few people on the move as possible end up in Libya where they are almost certain to fall into the hands of smugglers.

Many proposals, partial solutions

Most European countries are keen to draw a distinction between refugees with a right to come to Europe and "economic migrants" who have no such right. The idea is that only a small fraction of those who move along the central Mediterranean route would actually qualify for asylum in Europe, though the UNHCR estimates that around 40% of those processed in Italy do qualify for some form of protection. Within this framework, different proposals have emerged in order to process asylum applications offshore, as close to the countries of origin and as far from Europe as possible. During the summer, the French President Macron proposed the creation of "hotspots" in Libya where asylum applications could be processed. This raises several security questions for the European personnel which would serve there and also for the protection of migrants who would effectively be moved from the existing Libyan detention centres to new detention facilities supposedly managed by the EU.

The Paris summit on migrations that brought together key European and African countries in late August focused instead on the creation of "protection missions" in countries of transit i.e. outside of Libya. This is a more realistic option, particularly because France and other European countries are now focusing on enhancing the existing

People arriving in Europe through the central Mediterranean corridor (% of total)



Data: UNHCR (as of October 2017)

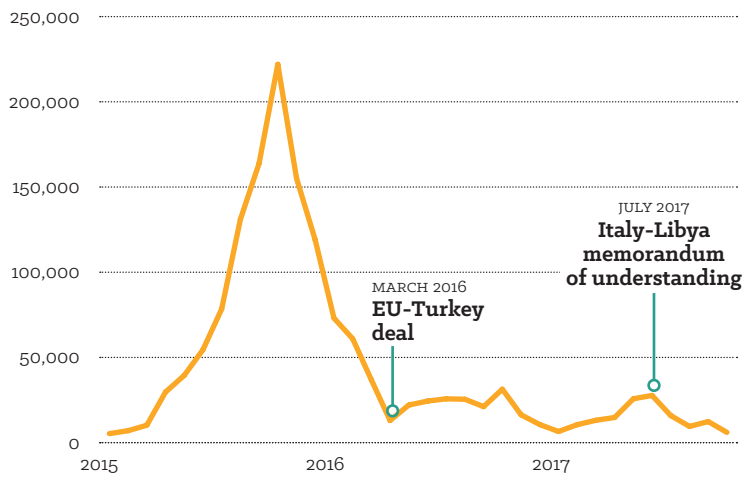
UNHCR-led resettlement mechanism which the EU has already successfully tested with 23,000 Syrians. According to the proposal presented by the EU Commission in late September, the EU could now make available 50,000 places for refugees mostly from Africa. They will likely be selected by UNHCR in reception centres, one of which could open soon in Libya. Unlike hotspots and detention facilities, UNHCR reception centres would give migrants freedom of movement while providing registration and support.

Yet, resettlement for refugees and people in need of protection is just one part of the solution. A second part would need to address the economic drivers of migration, including climate change. Since the Euro-African summit in Valletta in November 2015, the EU has implemented a series of programmes to support African development while strengthening border control capacities of transit countries along the central Mediterranean route. These countries have received offers for "Partnership frameworks" which include a comprehensive mix of capacity building for border control; trade facilitation; and development aid. The goal is to negotiate readmission agreements as part of these packages, though none so far has been signed between the EU and the countries of origin. Readmission agreements

-82%

the drop of arrivals from Libya to Italy in August 2017 compared to August 2016

Managing the flows: arrivals through the Mediterranean (2015-2017)



Data: UNHCR

could prove elusive if the incentive package for African countries is not attractive enough while most European countries have few real "sticks" to put on the table.

The need for a long-term solution

In the longer term, the focus on migration in Euro-African relations could produce two types of distortions. The first is to build an unhealthy conditionality between development aid and immediate drops in migratory flows. Helping Africa grow is in Europe's interest well beyond migration control. A more prosperous Africa is a better trade and security partner. In designing comprehensive packages for countries of origin the emphasis should always be on sustainable growth (with a special focus on containing the effects of climate change) rather than on stemming migration flows, but the self-defeating idea that countries that do not cooperate on migration should be denied European aid is hard to eradicate.

Secondly, in approaching migration management in Africa, Europe should not forget its political priorities. There needs to be a careful balancing act between migration management, security, and political risks. Irregular migration is often an important source of revenue for border communities. A crackdown that does not offer concrete alternatives risks fuelling radicalisation. Similarly, returns of irregular migrants without adequate guarantees and cooperation with countries of origin risk expanding the pool in which radical groups flourish.

There is no magic wand to manage migration from Africa to Europe, but a key factor is strategic patience, something that politicians who have to stand for elections while being under pressure from seemingly uncontrolled migratory flows can hardly afford. A mix between short- and long-term policies is needed, carefully combining the closure of irregular routes with efforts to build a more prosperous Africa.

#med2017

There needs to be a careful balancing act between migration management, security, and political risks.

3.3 Syrian refugees between hospitality and integration

Maha Yahya
Director, Carnegie Middle East Center

MIGRATION

Recent political statements seem to suggest that an end to the Syrian conflict is in sight. The establishment of de-escalation zones in the country through the Astana negotiating process is bringing various territories back under government control. To neighbouring host countries Lebanon and Jordan, this signals the prospective return home of the close to 2 million Syrian refugees in their midst. However, the absence of a broader and more sustainable peace process means that both may need to contend with the fact that these refugees will continue to remain unable to go home for some time to come.

Lebanon and Jordan: guests not refugees

The tansformation of the Syrian uprising since 2011 into a ferocious conflict has generated the largest refugee crisis of this century. For Lebanon and Jordan, this has meant a sudden increase in resident populations by 37 percent for Lebanon and at least 8 percent for Jordan within the first three years of the conflict. Today more than 1 million Syrian refugees reside in Lebanon, amounting to an estimated 25 percent of the country's population, while another 655,000 are officially registered in Jordan, a country of 9.5 million. Unofficial estimates in both countries suggest the total number of refugees may be much higher. Neither Lebanon nor Jordan is a signatory to the International Convention on Refugees. This means that fleeing populations are not accorded refugee status and the protection that this offers.

+37%
growth of Lebanese population as effect of the Syrian refugees inflow

$7.5 billion
the cost of the Syrian refugee crisis for Lebanon

Absorbing the needs of so many refugees has presented a profound challenge to both countries, with which they continue to struggle. Neither Lebanon nor Jordan have any significant resources to committ. Both countries suffer from longstanding problems, including deteriorating public infrastructure and poor public-sector health and educational systems among others. Yet as frontline countries they have borne the brunt of addressing the repercussions of the refugee crisis. The World Bank estimates that the crisis has cost Lebanon $7.5 billion in foregone output and widened the fiscal deficit by $2.6 billion through 2014. In Jordan, the cost is around $2.5 billion a year, or about a quarter of the government's annual revenues.

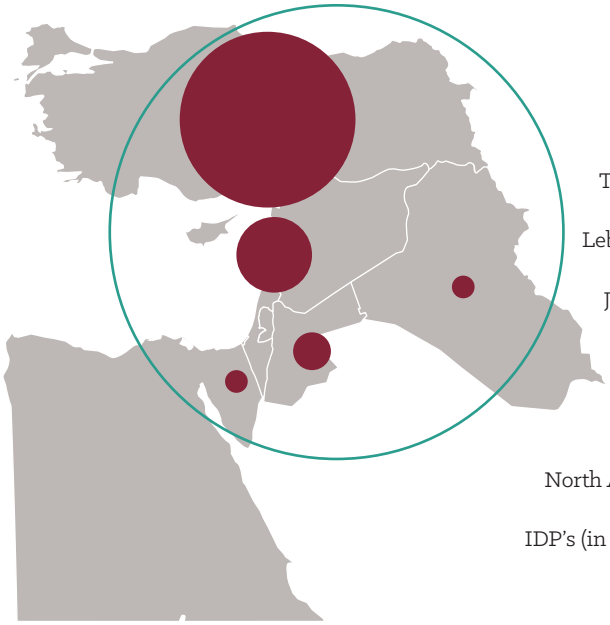
Beyond hospitality

The challenges generated by the crisis cannot be calculated in dollars alone. The impact on education illustrates just as well the seismic shock that has hit both Lebanon and Jordan. Approximately 50 percent of refugee populations in both Lebanon and Jordan are school-age children. The reorganisation of public schools to conduct double shifts to allow for the education of 149,000 refugee children in Lebanon and another 145,000 in Jordan quickly overwhelmed already struggling educational systems. Student-to-teacher ratios increased while the quality of education sharply declined for refugees and locals alike.

However, opening new schools is insufficient. War refugees are distinct from other refugees in that they suffer from the additional

SYRIAN REFUGEES IN THE REGION

Distribution of Syrian refugees in the region



Turkey	3,222,000
Lebanon	1,001,051
Jordan	654,582
Iraq	244,235
Egypt	124,534
North Africa	30,104
IDP's (in Syria)	6,500,000

Syrian refugee crisis in numbers

5,276,506
Number of Syrian refugees abroad

800,000
Refugees hosted only in the Za'atari camp (Jordan)

1,5 million
Children among refugees

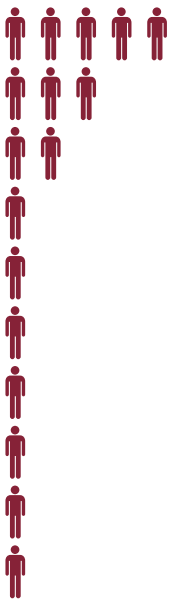
half of them
do not have access to formal education

$4.63 billion
Funding requirements

$1.76 billion
Received (38%)

$2,87 billion
Gap (62%)

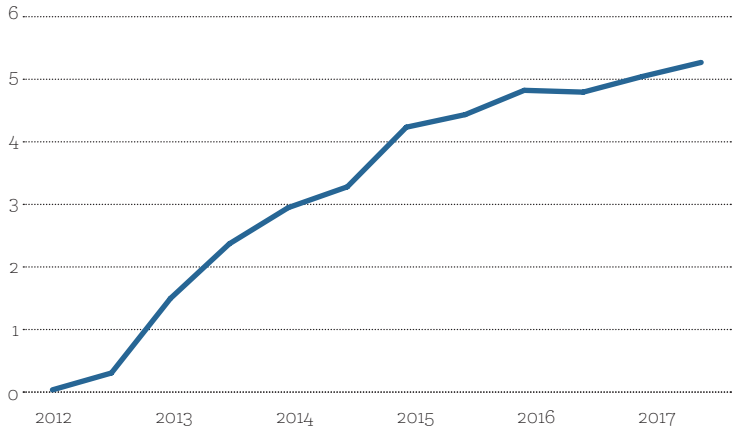
First origin countries of refugees (2016)



Syria	5,276,000
Afghanistan	2,501,000
South Sudan	1,436,000
Somalia	1,012,000
Sudan	650,000
Congo Dem. Rep.	537,000
Centrafrican Rep.	490,000
Myanmar	490,000
Eritrea	459,000
Burundi	408,000

Data: UNHCR

Number of Syrian refugees registered by UNHCR (in million)



Data: UNHCR

trauma of violence. Providing psychosocial support and revising curricula to include some elements of the refugees' culture of which they can be proud are fundamental to the wellbeing of these children. Improving the prospects for life after school, including potential employment opportunities, is also central. This includes revisiting existing accreditation programs as well as considering alternative informal education mechanisms.

Refugee dilemmas between integration and return

The future of Syrian refugees in Lebanon and Jordan remains ciritical. The full integration of refugees into national life represents an existential challenge in both countries and is for the most part rejected at both the political and popular levels. Beyond the deterioration in the quality of services, the sheer number of refugees has triggered deep anxieties that their presence could upend the current demographic balance and undo the fundamental governance principles and sense of identity that underpin the Lebanese and Jordanian nation-states. In Lebanon, this question has taken on a sectarian dimension, while in Jordan it revolves around national origin of resident populations.

Consequently, while the number of documented forced repatriations in Jordan now averages around 300 per month or around 2000 deportations in the first five months of the year, Lebanon has also seen a dramatic uptick in anti-refugee sentiment, which has become quite widespread. Meanwhile, the recent return of refugees to Syria as part of negotiated peace deals in north-eastern Lebanon drove vulnerable populations back into a war zone, specifically the Idlib province. More critically, the military involvement of Hezbollah, the Lebanese militia and political party, in support of the Syrian regime, has politicised the refugee question even further. Currently Hezbollah is using the refugee issue as leverage to put pressure on the Lebanese government to normalise relations with the Syrian regime.

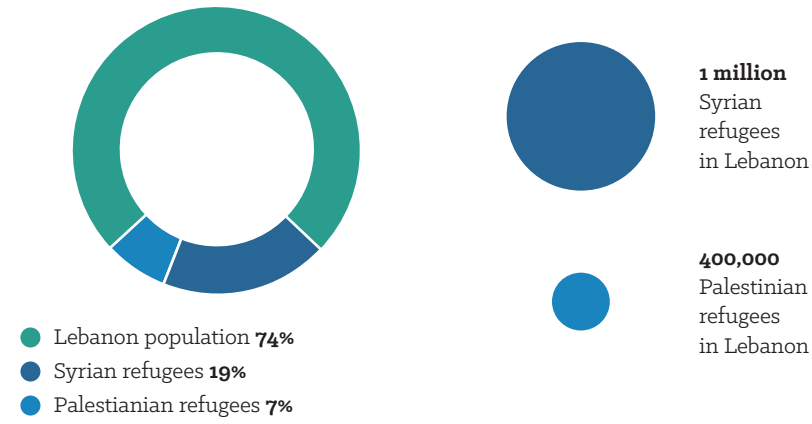
In this context, calls for the forced repatriation of refugees are gaining traction as are anti-refugee actions by local host communities. These communities are claiming that the creation of de-escalation zones in Syria means that the refugees can go back home. However, recent reports have indicated that increased bombings across much of Syria during the month of September resulted in the highest monthly death toll this year.

From the perspective of refugees, going back home is simply not an option today. Most have no confidence in the parties to the conflict, whether Syrian or foreign, and do not believe that any of them can guarantee their safety. To many refugees, the re-

$2.5 billion

the cost of the Syrian refugee crisis for Jordan

Lebanon: the weight of refugees



Data: UNHCR

placement of the more comprehensive United Nations peace process in Geneva with the piecemeal approach of Astana is simply guaranteeing the survival of the Assad regime and consolidating the partition of Syria. In this context, the prospects of returning to their home country, under a regime that has repeatedly said it considers them traitors for fleeing, remain very low. Central to this sentiment is the absence of any discussion on the release of detainees, let alone on mechanisms to ensure accountability and a measure of justice. Engaging with these challenges requires a refugee-focused political settlement for Syria that addresses the conditions necessary to guarantee the safe, voluntary, and dignified return of refugees. It also necessitates concerted attention to improve the lives of refugees in host countries in ways that protect their fundamental human rights and their future prospects within and outside these countries.

#med2017
a refugee-focused political settlement for Syria addressing the conditions necessary to guarantee the safe, voluntary, and dignified return of refugee is necessary

From humanitarian assistance to empowerment in Jordan

Musa Shteiwi
Director, CSS, University of Jordan

When the Syrian crisis erupted, Syrians were allowed to enter Jordan without any restrictions, except for security considerations. Syrians now represent the largest group of refugees in Jordan with 654,582 officially registered (September 2017)[1] out of 1.4 million refugees in total, in a country of around 10 million citizens and 3 million foreigners.[2] The Jordanian reception model, which started out as an initial subsistence-based approach characterised by temporary hospitality, is now turning into a long-term response focused on economic and social empowerment potentially leading to refugee integration.

When the first waves of Syrian refugees started to access the Hashemite Kingdom, the type of intervention that Jordan implemented was mainly humanitarian-oriented. By the end of 2011, approximately 2,600 Syrian asylum seekers had arrived in Jordan and the figure gradually increased as more than 11,000 refugees fled Syria in a single day. By the end of 2013, nearly 10% of Jordan's population was made up of Syrian refugees, with an increase from 119,400 UNHCR-registered refugees to 585,300 within the year, of whom 53% were younger than 18. This trend appears to be continuing since the largest amount of cohorts of Syrian refugees currently settled in Jordan consists of individuals aged 5-14.[3] Consequently, education and more recently higher education have come to represent urgent issues to be taken into account in Jordan's political agendas especially in the light of the prolonged conflict in Syria.

14%
the Syrian population in Jordan compared to the total Jordanian population

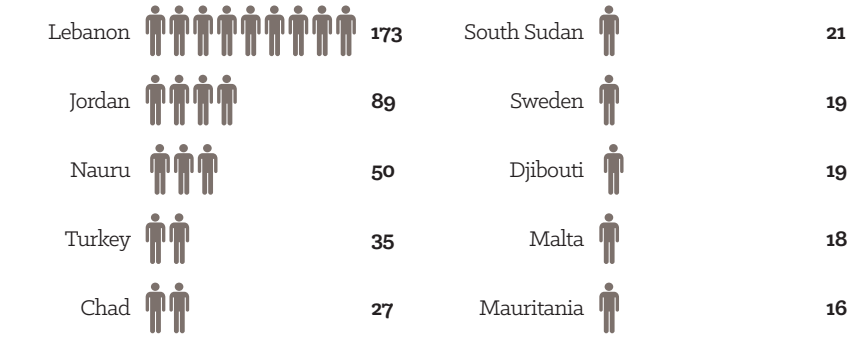
22.1%
unemployment rate in Jordan. Before 2011, it was 14.5%

Refugee policy shift

Between 2013 and 2014, Jordan started to implement medium- and long-term measures in order to respond to the massive amount of Syrian refugees within the framework of the larger, more comprehensive approach of the international community in facing the emergency. The Sixth Regional Response Plan (RRP6) was the project promoted by the United Nations High Commissioner for Refugees and considered a Jordan-focused response plan alongside plans for Lebanon, Egypt, Turkey, and Iraq. The National Resilience Plan (NRP) was the Jordanian Government's own response to the Syrian refugee crisis aimed at minimising the spillover effects of the Syrian refugee crisis on Jordanian host communities and preserving Jordan's economy and human development. It emphasised assistance for Jordanian host communities in order to harmonise the Syrian refugee response with Jordan's domestic development goals. In general, RRP6 was meant to provide short-term emergency aid focused on Syrian refugees in Jordan. The NRP, on the other hand, was meant to strengthen medium- and long-term coping systems that target infrastructure and services in host communities in order to prevent the deterioration of services for Jordanians as well as to better adjust the health and educational services offered to Syrians.

In 2015, Jordan adopted a resilience-based approach to respond to and mitigate the effects of the Syrian crisis on host communities in Jordan. The main aim was firstly to ensure the protection of the Syrian refugees and the vulnerable parts of Jordanian society. The Jordan Response Plan (JRP) of 2015 implemented a series of policies in coordination with international agencies and other governments. It included provisions to strengthen the capacities of the main ser-

First 10 countries in the world for refugees hosted on total population (2016)



Data: UNHCR

vices in fields such as health, education, and water and sanitation especially at the municipal level since services and infrastructure were degraded as a result of growing pressure on water, housing, environment, energy and transport.

As the flows started to represent a constant phenomenon within the Jordanian socio-economic environment, a more comprehensive plan was deemed urgent. In this sense, in February 2016 the Jordan Compact – an agreement between Jordan and the international community in general and the EU in particular – was released. Its approach is based on three actions: turning the Syrian refugee crisis in Jordan into a development opportunity; investing in Jordan's communities (with a focus on the resilience of host communities); supplying Jordan with grants adequate to meeting the financial needs and sustaining the economy over the next three years. The Jordan Compact has drawn a path forward toward long-term sustainability and integration between the Syrian and Jordanian communities.

Moreover, it should be highlighted that the youngest cohorts of Syrian refugees are gradually entering the Jordanian public education system, since 76% regularly attend public schools[4] for free as guaranteed by the Government alongside several donors' initiatives aimed to support Syrian refugees in order to avoid withdrawals from school. This change of policy amounted to a paradigm shift in government policy and in the international community context.

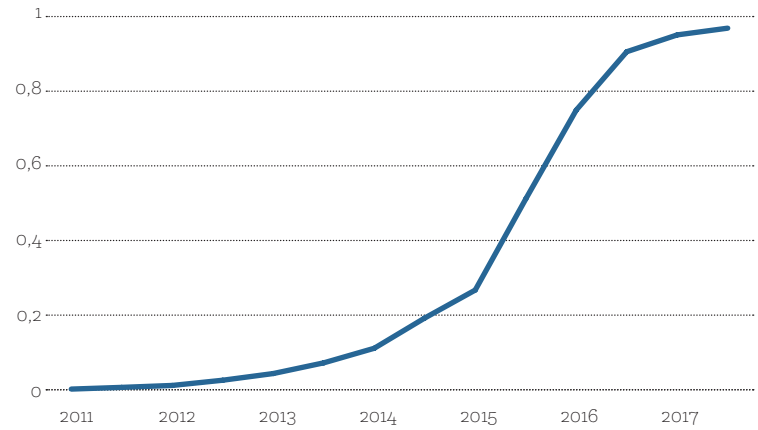
Empowerment of Syrian refugees

It is in this context that a debate emerged within the political agenda on the possibility to officially open up the labour market to Syrians without negatively affecting Jordan's economy. This is also due to the fact that potential social conflict between the hosted and hosting communities could occur in case internal regulations are not complied with – a possibility that should be carefully considered by decision-makers especially when it comes to implementing long-term integration policies.

The more recent socio-economic challenges have now turned from subsistence to socio-economic integration and should be addressed mainly by looking at further several social and economic indicators. As the crisis continues, more Syrians possessing different skills come to Jordan and enter sectors that were normally occupied by Jordanians, thus pushing Jordanians out of the labour market. A growth of the informal sector has been registered, since the majority of Syrian refugees employed in Jordan occupy low-skilled positions that used to be filled by Jordanians. This negative impact is represented by the growing unemployment rate, which has increased from 14.5% in 2011

#med2017
the main challenge the Government of Jordan faces today in regard to Syrian refugees is to balance its economic policies that encourage the employment of Syrian refugees while tackling unemployment among Jordanians

Evolution of asylum requests by Syrians in the EU (in million)



Data: UNHCR

to 22.1% in 2014.[5] The new policy aims at promoting and facilitating the entry of Syrian refugees into the Jordanian labour market.

Currently, most of the Syrian refugees who are registered with UNHCR receive financial help. If this kind of assistance were to stop, most Syrian refugees would enter the labour market, causing its saturation. Moreover, Syrian refugees would need to stay and gradually settle down in Jordan. It should also be noted that the large amount of refugees represent a potentially active labour supply. It is only in 2016 that Syrian refugees officially entered the Jordanian labour market by becoming legally eligible for employment within the Hashemite Kingdom. In this way progress was made as this paved the way for wider economic integration.

As regards future plans concerning Syrian refugees, the preliminary results of the CSS survey released last month with the hope that these would encourage refugees to return to Syria indicate that a truce between conflicting parties (40%) and a political solution in Syria (32%) are the most popular options, while some indicated a victory of the opposition and others stated that they would not go back. It is evident that while the majority might return to Syria (although that will also depend on work opportunities in Syria), a significant number of refugees would most likely remain in Jordan.

Balancing intervention policies

Empirical studies about the relationship between Jordanians and Syrian refugees reveal that there is no group tension between the two communities. On the contrary, there is growing evidence that the Syrians are gradually being integrated into Jordanian society through intermarriage, mixed neighbourhoods, employment in the informal and formal sectors. In fact, with regard to employment, the Government of Jordan has taken several steps to facilitate the employment of Syrians and has committed to supporting the employment of 200,000 Syrians in the future. Those very developments are also causing concern among Jordanians as they see their economic situation deteriorating and unemployment increasing in the country. Furthermore, people also express concern about the future of Syrian refugees in Jordan as the military crisis winds down in Syria. In fact, unofficial reports indicate that there are about 3,000 Syrians who return to Syria monthly. The main challenge the Government of Jordan faces today with regard to Syrian refugees is to balance its economic policies that encourage the employment of Syrian refugees while tackling unemployment among Jordanians, and having a refugee policy in post-conflict Syria which might require coordination with the Syrian government.

3,000

Syrians return to Syria every month

Looking into the Turkish experience

Galip Dalay
Research Director, Al Sharq Forum
Omar Kadkoy
Research Associate, TEPAV

"While a nation — especially one that is our kin and relative — is being tormented, we have absolutely no intention to turn a blind eye, to turn our backs against Syria, with which we share a 910-kilometer-long border." Said Recep Tayyip Erdogan, the Prime Minister at the time, when he addressed the AK Party on November 22, 2011.[1] This was six years ago, when the number of Syrians who sought refuge in Turkey was 8,000.[2] The moral commitment to the ongoing tragedy in Syria led Turkey to receive 3.25 million Syrians who today makeup 4 percent of the country's population. Turkey's open door policy ended in early 2016 and the government is shifting toward sustainable integration policies. While doing so, structural challenges are emerging and slowing down the progress.

"Guests" with few benefits

Although Turkey is a signatory to the 1951 Geneva Refugee Convention, the succeeding governments in Ankara since 2011 have referred to Syrians as "guests" and this reference is due to a geographical limitation to the aforementioned Convention. This means Turkey is legally obliged to grant refugee status only to European citizens seeking asylum "due to events occurring in Europe." The more Syrians arrived in Turkey, the greater the need for a legal umbrella to ensure their rights and define their obligations. To this end, Ankara took a step forward and introduced the Law on Foreigners and International Protection (LFIP). In force since October 2014, this law looks at Syrians as Foreigners under Temporary Protection and entitles them to access the free public provision of education and of health.

While Ankara's legal stance is interim, Syrians are weaving themselves into the labour market and settling in for the future. Ankara opened the doors to formal employment for Syrians as late as 2016. The strict conditions of employing Syrians under the law combined with Syrians' poor Turkish language proficiency, unrecognized professional skills, and absence of diploma equivalencies allowed only 13,298 Syrians under Temporary Protection to obtain work permits over the course of 2016.[3] In this regard, some 8,652 Syrians acquired permits according to 2017 mid-year figures.[4] This means the majority of Syrians who are filling the lower ranks of the labour market in Turkey do so informally and suffer from exploitation: below the minimum wage, long shifts and dire working conditions.

Coping with the legal ambiguous status: self-integration and business

Syrians, on the other hand, are present on the supply side of the labour force in Turkey as entrepreneurs. The Union of Chambers and Commodity Exchanges of Turkey (TOBB) figures show that the number of companies established by Syrians or with Syrian partners increased from 77 in 2011 to 6,551 in October 2017. Istanbul, the megacity and by far Turkey's biggest economic area, is a hub for 3,208 of these companies – but the rising entrepreneurial activity is more important in the southeast region where one-third of Syrians reside.

Take Gaziantep, for example. In 2011, there were 14 Syrian companies registered with the Gaziantep Chamber of Commerce. The number of Syrian companies today stands at 1,200, of which 17 percent operate in agro-

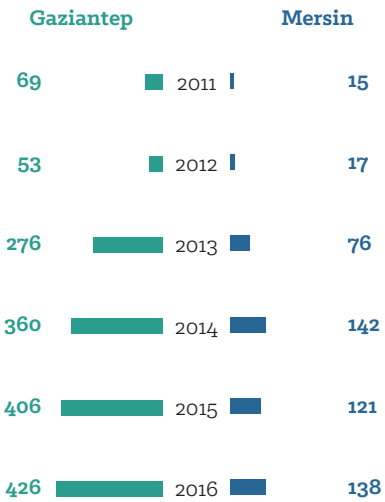
4%
of Turkey's population is represented by Syrians

EU countries with most asylum requests by Syrians

- Germany and Sweden **64%**
- Hungary, Austria, Netherlands, Denmark, Bulgaria **21%**
- All others **15%**

Data: UNHCR

Gaziantep and Mersin: Exports to Syria (in million $)



Data: Turkish Statistical Institute

food and 14 percent in foreign trade.[5] Mersin, a portal city on the Mediterranean, is home to 831 Syrian companies. The Syrian entrepreneurship phenomenon in both cities reflects the rising export volumes to Syria. There is no clear link between the number of Syrian companies and volume exports to Syria, but evidence from the region suggests that the two could be connected.

While officials still call Syrians "guests" and the legal status governing them is ambiguous, Syrians are integrating into the fabric of the Turkish economy through self-interaction by taking undesired labour jobs and setting up businesses that are balancing the provincial wealth. Now there is the need to design an integration policy based on multi-stakeholders dialogue to adequately and sustainably define an inclusive outlook for both locals and Syrians.

Rethinking Turkish identity for more sustainable policies

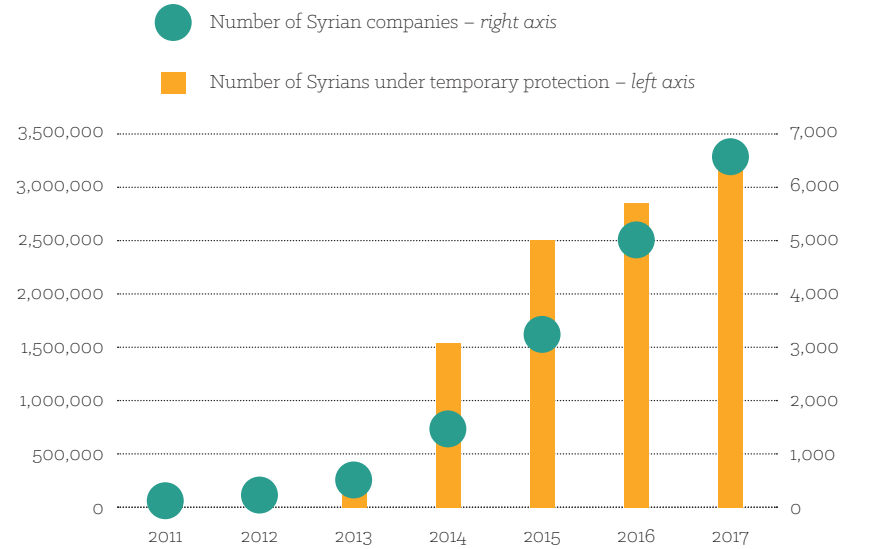
This requires Turkey to upgrade its policies towards the Syrians. Given the persistence of the Syrian crisis, the level of destruction that Syria has experienced, and the new life that the Syrians have built for themselves in Turkey, it is unlikely that Syrians in Turkey will go back to Syria anytime soon, if ever. In this regard, Turkey's treatment of the issue as a transitional one is not realistic. To the contrary, Syrians are likely to become a part of Turkey's socio-political and socio-economic scene. This calls for developing a new mindset to better integrate the Syrians into the mainstream of Turkish society.

To achieve this, Turkey needs to rethink its idea of identity, citizenship, and Turkishness. To be more explicit, in addition to the Kurdish issue, the presence of more than 3 million Syrians in Turkey requires the Turkish state to craft a new notion of identity that is more multicultural and accommodative of different identities and needs. This should be followed by building the capacity of Turkey's institutions, from the educational system to the labour market, to better meet the needs of the Syrians in Turkey. The motive behind crafting the new notion of identity and redesigning Turkey's public institutions comes from the fact that Syrians should not remain at the periphery of Turkish society without sustainable prospects. Instead, the state needs to regard the Syrians in Turkey as potential citizens.

3,208
Syrian companies established in Istanbul

1,200
Syrian companies in Gaziantep. 17% of them operate in the agro-food sector

Number of Syrians and Syrian companies in Turkey



Data: TOBB and Directorate General for Migration Management, TEPAV calculations

Maintaining the dialogue between EU and Turkey

In this sense, engagement with the European Union is essential and beneficial. Turkey is a middle-income country, fairly globalised, and closer to the European identity than any other Middle Eastern country. Moreover, the EU has a long standing experience in multiculturalism and integrating migrants. There may be some political fuss between the two sides, but technically speaking there has also been progress in the form of the EU-Turkey Statement on irregular migration. It entails, first, inclusive humanitarian schemes to assist the vulnerable population. Second, capacity building programmes are transferring the know-how to Turkey's public institutions. Finally, the bloc's eastern shores are safer now from unpredicted irregular migration waves.

Additionally, the Statement is a dialogue channel in the current rift between Ankara and Brussels. Therefore, it is in all the parties' interest to maintain this dialogue open to elevate the standards for everyone concerned.

#med2017

the presence of more than 3 million Syrians in Turkey requires the Turkish state to craft a new notion of identity that is more multicultural and accommodating of different identities

4

CIVIL SOCIETY, CULTURE AND MEDIA

4.1

Preventing a lost generation of young Syrians

Silvia Gison, David Mariano, Noemi Pazienti, Yousra Semmache
Save the Children

CIVIL SOCIETY

With the Syrian crisis in its seventh year, there are 8.3 million children in need of assistance due to the conflict,[1] bombed and starved in an unimaginable depth of violence, suffering, destruction and disregard for human life. Despite ceasefire deals agreed in some areas in 2017, widespread violence against civilians continues and September was the deadliest month so far this year. The UN Secretary General's Report on Children and Armed conflict documented close to 750 grave violations against children in the first six months of 2016 alone,[2] and child recruitment doubled last year compared with 2015.[3] At least 3 million Syrian children under the age of six know nothing but war;[4] there are around 1.5 million children in hard-to-reach locations, and over 200,000 in besieged areas encircled by military actors.[5] Over half of the population has been forced from their homes and 5 million civilians from Syria live as refugees in neighbouring countries, including 2.5 million children whose future remains uncertain. These children are the next generation who will have to rebuild their country.

851
cases of child recruitment attributed to ten armed groups verified by the UN

Inside Syria

Since the start of the conflict, hundreds of thousands of people, including women and children, are reported to have been killed.[6] In 2016 alone, UNICEF reported more than 652 children were killed including 255 who died in or nearby a school.[7] The situation remains dire for millions of children at risk of violence, restriction of aid, exploitation associated with forced displacements and disintegration of social support structures: few places are safe for them while their schools, homes, and playgrounds continue to be damaged or destroyed from indiscriminate and sometimes targeted attacks.[8] There have been more than 4,000 attacks on schools in Syria – almost two a day since 2011.[9] In northwest Syria,[10] schools have witnessed more than 200 incidents since 2014, which have resulted in the temporary closure of schools, total destruction of facilities, and the deaths of students, teachers, and staff.

Close to 1.75 million children are out of school, and the formal education system has lost 150,000[11] – more than a third – of its education personnel, including teachers. Moreover, teachers that remain are usually not trained to work with children who are psychologically affected by the conflict, and many are psychologically impacted themselves.

Since the beginning of the conflict, increases in child marriage – particularly affecting girls as young as 11 – have been widely reported.[12] Parents often feel that a married girl is likely to be safer and better protected from sexual violence and harassment.[13] Furthermore, in northern Syria in June 2017, child marriage continues to be utilised as a negative coping mechanism "to decrease the number of family members requiring food."[14] Moreover, boys – as young as 7 – are at particular risks of being recruited by armed groups.[15] Although it is a violation of international human rights law[16] and one of the six grave violations against children in armed conflict,[17] the UN cited 851 verified cases of child recruitment attributed to at least ten armed groups.[18]

Children exposed to multiple sources of violence may become desensitised and emotionally numb, which increases the possibility that they start imitating the aggressive behaviour they witness and consider such violence as normal. As well as traditional learning, schools

2
attacks a day on average occurred against schools in Syria since 2011

THE LOST GENERATION IN NUMBERS

8.4 million
million of children are affected by conflict in Syria

3 million
children are under the age of 6 and have always lived in a war context

300,000
children live in besieged areas

353,000
children live encircled by militay actors

2.5 million
children are refugees in or outside Syria

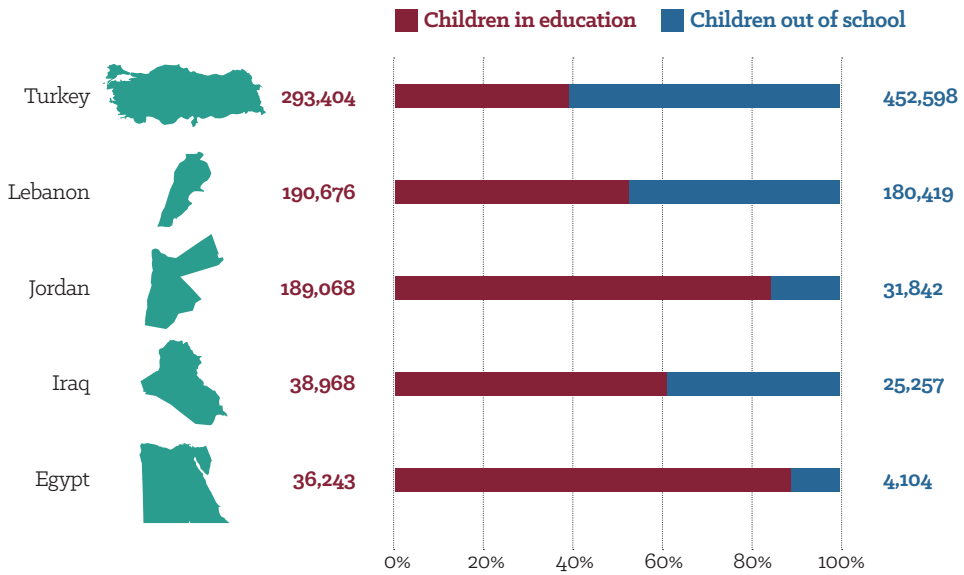
652
in 2016, at least 652 children have been killed

4,000
since 2011, 4,000 attacks on schools have been registered

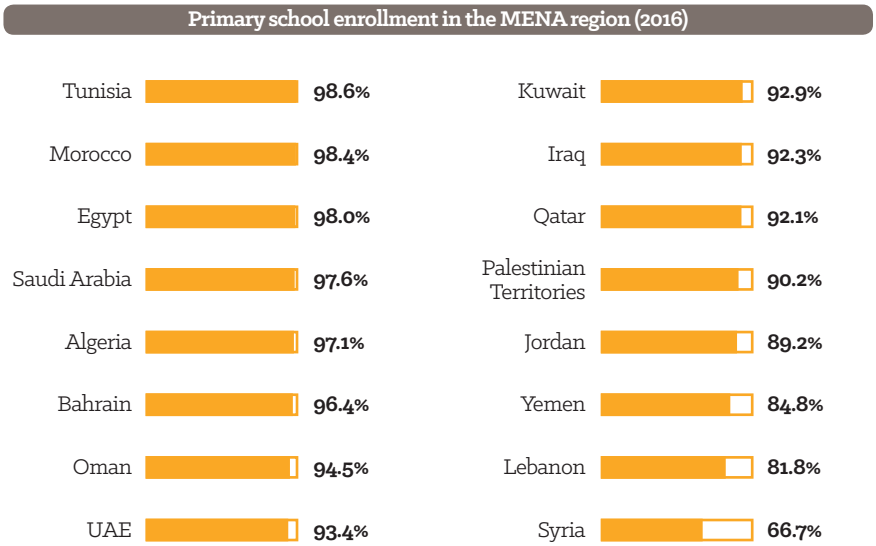
1.75 million
of Syrian children are out of school

150,000
personnel in the education sector have been lost since 2011

Syrian children refugees out of school in the host countries (2015)



Data: Save the Children, UNICEF



provide children with a vital source of safety, stability and routine and are crucial for normal childhood development.[19]

In neighbouring countries

As of October 2017, more than 5.3 million people, including 2.5 million children, have fled Syria in search of safety and aid, mainly in Turkey, Jordan, Lebanon, Iraq and Egypt.[20] The dramatic increase in population size has put strains on public services and exacerbated the vulnerabilities of host communities.

Refugee children face a number of barriers to their access to education. Access to education varies greatly in camps – formal or informal – and urban contexts. The most marginalised refugee children such as girls who get married early, children who work and adolescents who have been out of school for several years, are particularly hard to reach. The longer children are out of school the more they lose skills and knowledge they have already acquired and the smaller the likelihood that they will go back.[21] Due to limited access to the labour market for refugee caregivers and lack of education opportunities, children are at risk of child labour and, in some cases, become the main breadwinners in refugee families. Since they have more opportunities in the informal sector, often far away from home and without parental supervision, children are particularly vulnerable to exploitation and to psychological, physical and sexual abuse.[22] As they have neither the time, nor the energy to attend school, children who are working are more likely to drop out of school and their chances of re-enrolling diminish.[23]

The international community response

After more than six years of brutal conflict, the outrage at what is occurring in Syria must remain unchanged. It is more important than ever for the various parties to come together and find a political solution to the conflict in Syria.[24] Numerous initiatives have been put in place since the beginning of the war to alleviate the suffering of the civilian population and help children and vulnerable people affected by the Syrian crisis.

The *No Lost Generation Initiative*, launched in 2013, ensures that child protection and education are at the centre of the humanitarian response to the Syria crisis and aims to prevent a lost generation. More recently, it has broadened its scope to address issues affecting adolescents and young people as well. The aim is to amplify the voices of children, adolescents and youth; provide a platform for common advocacy; and try to address issues like

255
children dead in or near a school

child labour and child marriage by mobilising resources.[25]

Since 2014, the international community's approach has changed significantly with the launch of the first multi-year Regional Refugee and Resilience Plan (3RP). The 3RP consists of two main components: protection and humanitarian assistance to refugees; resilience and stabilisation of host communities and ownership of national governments.

Over 2016 and 2017, the international community has developed a comprehensive new approach to address this protracted crisis. Two main conferences have been held: the "Supporting Syria and the Region" Conference that took place in February 2016 in London and a follow-up conference in Brussels in April 2017. Donors and host countries committed to policies and funding to improve access to quality education and increase jobs and livelihood opportunities across the region – both for Syrians and host communities. In particular, at the London Conference participants set two ambitious targets: creating 1.1 million new jobs in the region by 2018 and ensuring that, by the end of the 2016/17 school year, 1.7 million children – including all refugee children and vulnerable children in host communities – will be in quality education, with equal access for girls and boys.[26] At the Brussels Conference, participants pledged further funding and committed to achieve the goals already set in London. However, the international community has so far failed to honour the principle of responsibility sharing by increasing global refugee resettlement quota, leaving the burden mainly on neighbouring countries. Participants also fell short of getting more multi-year funding pledged, preventing the humanitarian community from effectively planning and implementing projects in a long-term context.

Recommendations for a common action

We need to act now to reverse the impact that the Syrian crisis has inflicted on a generation of children. The international community has to work on ensuring that the current political negotiations lead to an effective nationwide cessation of hostilities as a first step towards a lasting agreement to end the violence and a political settlement to the conflict.

NGO partners, including Save the Children, have called for donors to invest in multi-year and predictable funding to support broader and longer-term approaches and scale up quality education, child protection, and mental health support activities inside Syria and in refugee hosting countries.

Host countries and donors must fulfil the commitments made at the London and Brussels conferences, in particular by implementing the "No Lost Generation" goal on education, by strengthening education systems in host countries and implementing measures that address jointly education, livelihoods and protection to reach every last child.

#med2017
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Policies for the educational sector in Syria

Center for Civil Society and Democracy (CCSD)

The ongoing conflict in Syria has brought to the fore many problems and crises at all levels of society and in all parts of the country. One of the most urgent of these is not only the rehabilitation of the education sector, but also its reform. If the process of reform is approached in the right way, it can complement rehabilitation, and lead to building social cohesion, preventing violent extremism and empowering women and girls, among other things. It is crucial to think of the reform of Syria's education sector as part of an inclusive and sustainable peace process which will guarantee a credible transition. Only this can allow real, effective and sustainable reform for the education sector to take place. While the devastation is extensive, there are opportunities to implement positive changes that will build a better foundation for the future of this crucial sector in Syria.

Framing the Syrian context

The challenges and opportunities facing the education sector vary throughout the country, and in large part are determined by local authorities. These different authorities, including the Assad government, have all imposed their own ideologies on students through curricula. This threatens the concept of the Syrian national identity, and also undermines social stability in the coming post-war era. In order to design effective solutions, it is crucial to analyse the distinct challenges facing the education sector in each part of Syria. For example, in IS-held areas, the education sector is completely paralysed and there is no real education except according to IS' ideology. IS imposed restrictions on schools and teachers, eventually closing down schools completely and restricting education to take place in mosques with educational curricula that only fit their religious mindset. Under these conditions many families chose to homeschool their children or hire teachers to teach their children at home. The impact on students of the lack of education on the one hand, and extremist education on the other, in post-IS areas is an urgent issue at the moment. It is crucial to examine this in detail, in order to address these negative impacts in the most effective way.

Recommended policies and actions

If the crisis in Syria's education sector is not urgently addressed, it is very likely that Syria will enter a stage of total collapse in regard to education, which would have major repercussions into the future, with the country becoming a centre of illiteracy, underdevelopment and extremism. At the same time, if the process of reform is approached in the right way, it can complement rehabilitation, and lead to building social cohesion, preventing violent extremism and empowering women and girls. It is crucial to think of the reform of Syria's education sector as part of an inclusive and sustainable peace process which will guarantee a credible transition. Only this can allow real, effective and sustainable reform for the education sector to take place.

Based on the above, we have formulated the following recommendations, which we urge all stakeholders to act on immediately:

Create a safe environment for children to go to school.

- Pressure the parties to the conflict to consider school buildings as neutral from the conflict; they must not be attacked, seized or used as military facilities.
- Establish a working group comprised of international organisations and bodies to exert pressure on the various local, national and international parties to the conflict to main-

tain the education sector and its institutions as neutral from the conflict.

- Support independent Syrian civil society groups to play a positive role in this regard, through their campaigns and initiative to support and protect students. For example, some civil society groups have been involved in initiatives to mediate with armed groups to ensure that students have safe passage to attend their exams.
- Train teachers in conflict sensitivity and conflict resolution skills.

Ensure the transparency of rehabilitated education systems.

- Decentralise the administration of education in opposition-held areas (not to be extended to curricula and textbooks) so that education is supervised by bodies affiliated to local councils, and remains centrally linked to an educational department that coordinates the educational process at the national level.
- Support independent Syrian civil society groups to play a role in ensuring the transparency of the education system, by holding decision-makers accountable, building public awareness and convening different community stakeholders such as parents and teachers for discussion.

Support the development of new curricula, and ensure that systems are structured to include all students.

- Ensure that there are schools established in IDP camps, and support the efforts of Syrians who have established or wish to establish schools in hard-to-reach and besieged areas.
- There is not only an urgent need to rebuild and protect school buildings, but also to adjust curricula and include topics such as peace, psycho-social support and human rights. This "peace education" helps children to deal with the effects of war and build social skills for dialogue and conflict resolution. Peace education in schools is crucial for societies to overcome war and re-build social resilience and cohesion.
- Build the capacity of local government structures to facilitate the implementation of new curricula and support the role of independent local civil society groups. These groups can play an important role in designing peace education material (in cooperation with international expert organisations), training teachers in conflict resolution skills and building the capacities of local governance institutions to support and facilitate the rebuilding of schools and curricula.
- Mechanisms to accredit curricula must be established and supported in areas where it is difficult to secure schools or educational centres. Special accredited curricula such as the free education and the e-learning curriculum as well as the UNICEF's self-learning curriculum could be adopted.
- Undertake studies on the educational situation in post-IS areas with the aim of preparing special curricula. Any curriculum implemented in these areas must contribute to the psychosocial reintegration of the children in those areas and prevent them from being drawn to extremism in the future.
- Ensure that there are opportunities for the many children and young people who have been deprived of their studies for long periods. This will mean a focus on programmes that help them catch up at every educational level: primary, secondary, and higher education.

Promoting civil society participation

Throughout all of these efforts, it is crucial that the participation of Syrian women and civil society groups in decision making, design and implementation is ensured. Their participation will ensure that solutions reflect community needs and are supported by communities, thus creating the conditions for sustainability. It is also crucial that any work on rehabilitation or reform of the education sector ensures that there are positive incentives to move Syria towards sustainable peace.

In conclusion, despite the gloomy picture of the status of education in Syria, there is a path forward. In particular, we can be optimistic because of the eagerness of Syrians to learn despite the great challenges they face, as well as the presence of many independent Syrian civil society groups that can support the rehabilitation and reform of the education sector. It is a moral duty of all capable parties to contribute positively to securing the basic right of education for Syrian children.

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4.2

Protecting cultural heritage in conflicts areas

Francesco Bandarin
Assistant Director-General for Culture, UNESCO

CIVIL SOCIETY

Cultural heritage and pluralism have increasingly become the direct targets of systematic and deliberate attacks in numerous conflicts around the world. More and more, UNESCO and its partners are called upon to respond. Culture is particularly vulnerable to collateral damage, looting and intentional destruction, which is often paired with the persecution of individuals based on their cultural, ethnic or religious affiliation and the denial of other communities' identities resulting in "cultural cleansing". Out of 81 World Heritage Properties in the Arab states region, 21 are listed as in danger, 17 of which due to conflict.

In countries such as Iraq, Mali and Syria, extremist groups are applying a deliberate strategy aimed at eradicating cultural diversity. This involves the persecution of peoples and groups on the basis of their cultural and religious identity, including by intentionally targeting their material cultural references - such as shrines, monuments, sites, museums and their artefacts, libraries and archives, but also schools and other places of knowledge, and even teachers, intellectuals and religious leaders. It also includes preventing people from practicing their intangible cultural heritage, including religious rituals, and from exercising their cultural rights. Such strategy has been termed "cultural cleansing" by former UNESCO's Director-General Irina Bokova.

81
World Heritage Properties in the Arab states region

21
World Heritage Properties in the MENA region listed as in danger

Different wars, new threats

The evolving nature of contemporary conflicts, from inter to intra-state, poses a significant challenge to the current world order built on international treaties and decision-making. Armed non-state actors are increasingly challenging domestic governance and often do not consider themselves bound by decisions taken at the international level. These conflicts increasingly affect culture and challenge the way in which organisations like UNESCO, whose programmes are built around international conventions signed by states, can respond.

Moreover, conflicts no longer have clear endings, they create complex humanitarian emergencies of a protracted nature. Even when peace agreements are signed, power struggles continue that challenge fragile agreements leaving large parts of the population displaced and dependent on humanitarian aid. The absence of clearly distinguishable post-conflict phases and the high number of protracted conflicts that can escalate at any given time require a prolonged engagement on the part of the international community with regards to both the delivery of basic humanitarian assistance and protection responsibilities, including the safeguarding of cultural rights.

Culture and heritage, as expressions of peoples' identity, repositories of memory and traditional knowledge, are essential components of a community's resilience and social capital. Promoting respect for cultural diversity is fundamental to preventing violent extremism, generating positive dialogue and inclusion, and fostering lasting peace.

The significance of culture in the lives of communities and individuals makes its continuity a powerful tool for building resilience, serving as a basis for sustainable recovery. Likewise, the rehabilitation of heritage can

WORLD HERITAGE AT RISK

IRAQ

- 2 out of 4 World Heritage sites suffered from destruction (Hatra,7 March 2015, and Ashur, 29 May 2015);
- 2 sites on World Heritage Tentative list severely affected: Nimrud by destruction (bulldozers and explosives) on 11 April 2015; sculptures and 2 gates destroyed at Ancient City of Nineveh;
- Around 100 sites are affected by the conflict, including Mosul Museum, vandalized with heavy destruction of artifacts (mainly sculptures from Hatra, Khorshabad and Balawat); the Tomb and Mosque of Prophet Jonah (Nebi Yunus) blown up;
- Numerous sites in Mosul, Telafar, Sinjar, Tikrit, and Samarra are reported as destroyed or severely damaged, and include archaeological sites, shrines and religious places.

SYRIA

- All 6 World Heritage sites directly affected by fighting;
- 4 World Heritage sites severely damaged, including Palmyra and the Old Cities of Aleppo and Damascus;
- 8 sites on the World Heritage Tentative list damaged, destroyed or severely affected by looting and illegal excavations;
- At least 6 museums damaged and/or looted;
- At least 12 other sites damaged or destroyed.

YEMEN

- 2 World Heritage sites (Old City of Sana'a; Historic Town of Zabid) repeatedly damaged in airstrikes;
- 2 sites on World Heritage Tentative list damaged and destroyed, respectively (Old City of Sa'adah, March 2015; Marib Dam, 31 May and 18 August 2015);
- At least 7 other sites damaged or destroyed, including the archaeological city of Baraqish, the Al Qahirah citadel in Taiz, the Dhamar Museum, the Al Salam Bridge in Shabwa, as well as ancient tombs in Hadramout.

Capacity-building in Syria by UNESCO

120
international experts

1
Syrian police database of looted artifacts

2
trainings on first aid to built cultural heritage

- 120 international experts rallied international community to safeguard Syrian cultural heritage;
- 3 first aid support meetings dedicated to Crac des Chevaliers, Aleppo Museums and the Ancient City of Damascus;
- Meeting on creation and updating of Syrian police database of looted artifacts;
- 2 meetings on improving inventories of built, movable and intangible Syrian cultural heritage;
- Training to combat looting and illicit trafficking addressed to police and customs officers from Syria and neighboring countries (Iraq, Jordan, Lebanon and Turkey);
- Training to protect movable heritage during and post-conflict, and museums from looting;
- 2 trainings on first aid to built cultural heritage in Syria;
- Training on the 2003 Convention for the safeguarding of intangible cultural heritage;
- Workshop on the fight against illicit trafficking and restitution of cultural property;
- 2 trainings on 3D digital documentation (data collection and analysis);
- First Aid Support Meeting on Syrian Traditional Musics;
- 2 workshops on building documentation and damage assessment;
- IT workshop on storage and data management;
- Training on the safeguarding and digitization of historic documents and archives;
- Technical workshop for WH sites of Crac des Chevaliers, Palmyra and Ancient City of Damascus;
- Technical meeting on WH site of Old City of Aleppo;
- First Aid Support Meeting for Traditional Building Techniques;
- First aid support meeting on community-based safeguarding of museums and mosaics.

Data: UNESCO

contribute towards healing the scars of war by allowing communities to recover a sense of hope, dignity and empowerment. As a visible expression of common ground between communities, culture can be a powerful tool for reconciliation and a building block for social cohesion.

Artists and cultural institutions play an essential role in ensuring freedom of expression, promoting cultural diversity and fostering inclusive dialogue. Such cultural expressions also offer appropriate ways to deal with psycho-social distress and so reconcile communities.

UNESCO's role in safeguarding cultural heritage

By protecting cultural heritage and promoting cultural pluralism in emergency situations, UNESCO contributes towards protecting human rights, preventing conflicts and building peace, upholding international humanitarian law and enhancing resilience among communities.

UNESCO has a long record of intervention to protect or rehabilitate cultural heritage affected by conflicts or natural disasters, as it leads international efforts and campaigns around the world. The unprecedented attacks against culture and heritage, notably in the Middle East, together with the increased occurrence of natural disasters have called for new and more effective approaches to meet these challenges.

At its 38th General Conference in November 2015, UNESCO adopted a *Strategy for the reinforcement of the organisation's actions for the protection of culture and the promotion of cultural pluralism in the event of armed conflict.* It builds on the six culture conventions administered by UNESCO by strengthening their synergy and operational capacity to achieve the dual objectives:

- to **strengthen member states' ability** to prevent, mitigate and recover the loss of cultural heritage and diversity as a result of conflict;
- to **incorporate the protection of culture into humanitarian action,** security strategies and peace-building processes.

Enlarging cooperation and technology

The Strategy also provides a focus for the mobilisation of the Global Coalition "Unite for Heritage". Launched in June 2015 by the former Director-General of UNESCO, Ms Irina Bokova, it aims to bring together a wide range of actors from different professional fields to strengthen efforts in the protection of cultural heritage.

This involves strengthening our cooperation with traditional partners and establishing new forms of cooperation with actors beyond the field of culture such as the humanitarian and security sectors. In this context, over the past years, the international community has demonstrated a growing awareness for the importance of integrating culture in the framework of humanitarian, security, peacekeeping and human rights policies and operations. Since 2015, the UN Security Council has adopted several landmark resolutions that considered cultural heritage. While resolutions 2199 (2015), adopted under Chapter VII of the UN Charter, and 2253 (2015) recognised the illicit trafficking of cultural objects as a source of financing of terrorism and banned the trade in cultural artefacts from Iraq and Syria, resolution 2347 (2017) is the first dedicated exclusively to cultural heritage, condemning its unlawful destruction, and making concrete recommendations for action to UN member states.

In cooperation with UNITAR-UNOSAT and other partners, UNESCO monitors damage to cultural heritage via satellite imagery, allowing remote access to otherwise inaccessible areas. This helps to clarify the situation on the ground, to deploy cultural first aid wherever it is most needed and to plan for future recovery, all of which are based on a comprehensive record of historic features and the involvement of local communities and their understanding of the consequences of destruction. A Memorandum of Understanding was also signed with the International Committee of the Red Cross (ICRC) on 29 February 2016 to promote the respect of International Humanitarian Law (IHL), including through the ratification of the 1954

17

World Heritage Properties in the MENA region in danger due to conflict

Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict and its two Protocols (1954 and 1999). It is also in the context of IHL that UNESCO welcomed the prosecution and condemnation by the International Criminal Court (ICC) of a suspect for the war crime of intentionally directing attacks against historic monuments and buildings dedicated to religion, namely of the shrines and mausoleums in Timbuktu, Mali, during the occupation by extremist groups in 2012 of the city listed as a World Heritage property. On the operational side, and under the coordination of the Italian Ministry of Culture and Tourism, a national "Task Force" of cultural heritage experts has been established. At the request of UNESCO, its members, including Carabinieri specialised in the fight against illicit trafficking, are ready to deploy and assist in safeguarding cultural heritage at risk, both for preventive purposes as well as in emergency situations resulting from armed conflict and natural disasters.

Building on the ruins

All of these activities build on UNESCO's 70 years of experience in the field of cultural heritage protection. Following the conflict in Bosnia and Herzegovina, and with the dedication of local authorities to promote their cultural heritage as a tool of intercultural dialogue, UNESCO led international efforts to reconstruct the Old Bridge in Mostar in 2004. Today, the World Heritage site of the Old Bridge Area of the Old City of Mostar stands as a symbol of reconciliation, international cooperation and the coexistence of diverse cultural, ethnic and religious communities.

In Timbuktu, Mali, UNESCO collaborated with local masonry associations to complete the reconstruction of 14 of the 16 mausoleums inscribed on the World Heritage List which were deliberately destroyed by violent extremist groups in 2012. A consecration ceremony was held in February 2016 to celebrate the revival of the city's invaluable heritage. The rehabilitation of Timbuktu's destroyed heritage served to ensure the continuity of the city's ancient cultural traditions as well as to commemorate and overcome, as a community, the traumatic experience of its loss.

At present, UNESCO is active in Iraq, Libya, Syria and Yemen to protect these countries' cultural heritage from the devastating effects of the conflicts there. This involves the provision of technical assistance and capacity-building, documentation as well as emergency rehabilitation measures, also financed through the newly created and flexible UNESCO Heritage Emergency Fund for the protection of heritage in emergency situations.

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UNESCO is active in Iraq, Libya, Syria and Yemen to protect these countries' cultural heritage from the devastating effects of the conflicts

4.3 Channelling change: social media and its political impact

Francesca Paci
Journalist, La Stampa

CIVIL SOCIETY

Six years after the Arab Spring, it is interesting to reflect on what remains in the MENA region of the events that spread the hope of a rapid democratic social and political evolution. At the time the western media referred to those events as "the internet revolution" because of the young age of those involved – Egyptians, Tunisians, Libyans, Syrians, Yemenis, Bahrainis – and because not a single day passed without the appearance of new blogs, online bulletins and independent web-TVs that were further amplified by the social networks. Six years later, that political window has closed, the authorities have relegated those hopes into utopia, and the activists have been confined to their homes by the reborn regimes. Nevertheless, if Tahrir Square is physically back to the past, the virtual square is still alive. Like the Egyptians, the Arab web generation is anything but buried. Navigating daily from Facebook to Twitter to Instagram or Snapchat gives the impression that social networks in the Middle East and North Africa are if possible more important today than ever before. Internet penetration in MENA reaches 60% with users growing by 15% since January 2016, active social media by 38% and mobile subscriptions by 127%.[1]

Those figures are enlightening in understanding how social media and the Internet have changed the way Arab youth are accessing their news. In 2011, in the midst of political turmoil, 62% of Arabs aged 18-24 said that they read newspapers on a daily basis, while today that number has dropped to 7%, 32% affirm that they get the daily news online (mostly via Facebook) and 29% watch TV news. WhatsApp is the most popular social media platform (62%), followed by Facebook (55%) and YouTube (33%).[2]

58 million
Facebook users in the MENA region

6.5 million
Twitter users in the MENA region

Virtual reality in Saudi Arabia: friend or foe?

Another interesting indicator comes from Saudi women's fight for their right to drive. In the past weeks the debate around the royal decree allowing women to drive has flooded Saudi social media with critical hashtags whereby "the people reject women driving",[3] but many more are in fact the supporters of this decision and hundreds of women are celebrating. This should come as no surprise. Women in Saudi Arabia have been fighting for their rights for 30 years, but after the 2011 events social media has played a central role in the campaigners' efforts to push reform ahead in the Gulf Kingdom. Many activists have paid with jail time the battle they carried out through their computer even before than in the street. Loujain al-Hathloul was detained for 73 days after being arrested for attempting to drive across the border from the United Arab Emirates in 2014 and she documented her experiences on Twitter. Manal al-Sharif was arrested in 2011 after filming herself driving and posting the video on YouTube and Facebook. Maysaa at Amoudi suffered the same fate in 2015 after turning to the Internet to share the details of her ordeal.

The Saudi kingdom appears to take the cyber world quite seriously, both as a threat and as a potential means to build consensus. In particular, the Crown Prince Mohammed bin Salman, who is believed to hold much of the power behind the throne, has promised an important package of political and social reforms as part of his Vision 2030 plan for which he needs the support of the younger generations,

Annual growth in the Middle East

Internet users

+15% since January 2016
+19 million

Active social media users

+47% since January 2016
+30 million

Mobile subscriptions

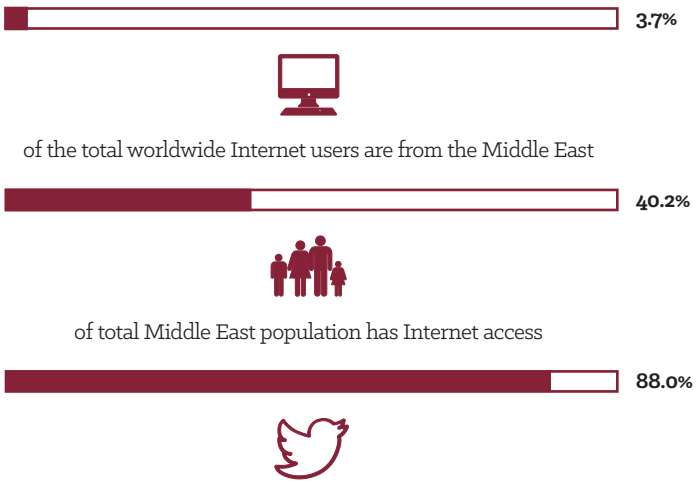
+5% since January 2016
+15 million

Active mobile social users

+44% since January 2016
+25 million

Data: We Are Social

The Middle East and Internet (2016)



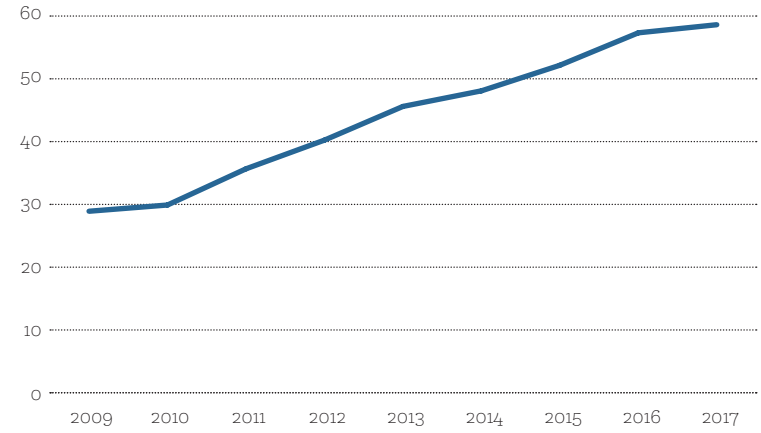
Data: We Are Social

both because 70% of the population is under 30 and because they use the Internet much more than their parents do. Data indicate that among Saudi youth the Internet penetration rate is around 93% (with a rapidly growing use of Facebook, YouTube, Twitter and Snapchat) while, according to a report from Northwestern University in Qatar, daily TV viewing has dropped by 16%.[4]

Going social: the Egyptian way to dissent

Another interesting example is Egypt, a country where according to the latest Freedom House report "serious political opposition is virtually non-existent, as both liberal and Islamist activists face criminal prosecution and imprisonment"[5] and where, according to Human Rights Watch, most recently the authori-

Internet penetration rate in the Middle East



Data: Internet World Stats

25%

of all Facebook users in the MENA region are in Egypt

0

countries of the MENA region listed as 'free' in the Freedom House scores of Freedom on the net. Only 5 (Lebanon, Libya, Jordan, Morocco and Tunisia) are listed as "partly free". All the others are listed as "not free"

ties have arrested at least 50 peaceful political activists and blocked more than 400 websites on claims of "supporting terrorism" and "publishing false information".[6] Although the political horizon opened up with Mubarak's removal, it started to shrink again and eventually disappear in the summer of 2013. However, Egypt channels its repressed vitality into the web opting for forms of aggregation that have little to do with politics and translate instead into start-ups, i.e. initiatives that bring together small groups of households for economic purposes and online cultural circles.

The clearest evidence of this is the regime's activism in shutting down blogs and websites that soon reappear in different forms and the regularity with which different Members of Parliament call for stricter regulation on social media to protect national security. It would appear that the Egyptian government is fighting against the Internet the same war that it fought a couple of years ago against international NGOs (nowadays almost inactive),[7] considering new radical proposals to restrict its citizens' access to social media almost every week. One of the most recent examples is a draft bill proposed by MP Reyad Abdel Sattar of the liberal Free Egyptian Party and presented six months ago in the Egyptian press, a measure that would require Internet users to register with the government to access various websites including Twitter and Facebook. According to CNN, successful applicants would receive a login connected to their national ID while unauthorized users could risk prison sentences and heavy fines.[8]

An annual survey titled "Media Use in the Middle East" and focused on regional media trends and attitudes towards free speech over the past five years found Egypt to be in very bad shape: while in 2013 almost half of all Egyptians (48%) believed that "it is okay for individuals to express their ideas on the internet even if they are unpopular", only 29% percent agreed in 2017.[9] Yet, despite the social anxiety and the attempts by the state to monitor the social networks also through government-run electronic systems, youthful energies still manage to express themselves by ignoring politics and focusing on social activities, culture, and small business online (e-commerce has a penetration of 16% and is constantly increasing). Examples include Tyro, a start-up that aims to help youth to get better access to high-quality education, Tawseela, which seeks to tackle traffic congestion by getting cars off the streets by offering membership-based buses, and bkam.com, a price comparison website featuring over one million products.

A report by We Are Social and Hootsuite called "Digital in 2017" confirms that Egypt is moving forward on all digital fronts. Even if the country has 37% Internet penetration (almost 30 million users, one-third of the pop-

ulation) compared to 99% in the United Arab Emirates, Egyptians spend on average 4 hours online every day on laptops/desktops and around 3 hours on their mobiles. Social media penetration in Egypt is also around 37% but users grow year-on-year by 25% (almost 50% of Facebook users are active daily) and in terms of mobile penetration Egypt ranks 24th internationally with a 103% rate.[10]

What prospects?

Clearly, something is changing in Saudi Arabia and Egypt but the same holds true for almost all countries in the MENA region, from Iraq to Algeria, and in particular for the protagonists of 2011. Developments in post-revolution Tunisia show that positive change has happened in the country since the removal of former leader Ben Ali. Though far from perfect, Tunisia's new constitution, signed after the 2011 revolution, was hailed as the most progressive in the region, providing more freedom to criticise government and state institutions. Almost 50% of Tunisians believe that it is safe to express one's ideas and opinions on politics on the Internet (the highest rate after Lebanon).[11] There are a number of reasons why Tunisia was able to create coalitions and witness a bloodless power transfer six years ago and one of the most important is probably the country's high literacy rate, which during the revolution allowed a direct connection between the virtual reality of social media used by activists and society as a whole. However, in Tunisia, as in Egypt, widespread unemployment and extremism are perceived to be the greatest obstacles to social and political progress. The situation is not, however, very comforting. The case of Lebanon — where, compared to other countries, critics of the establishment are rather outspoken and tolerance for criticism against government policies offline is high (66% compared to 48% in Tunisia)[12] — is quite unique. What is certain is that the connection between the social needs of the MENA countries and their communication through the social networks did not come to an end with the regression of the Arab Spring. That road remains open in all possible directions.

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the connection between the social needs of the MENA countries and their communication through the social networks did not come to an end with the regression of the Arab Spring

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ISBN 978-88-90949982