

# 3 The Regional System: A Decade since the Upheaval, and Expanding Normalization

Sarah Feuer, Itai Brun, Oded Eran, Yoram Schweitzer, Yoel Guzansky, Ofir Winter, Gallia Lindenstrauss, Remi Daniel, and Ari Heistein



## Snapshot

Ongoing struggle for the shape of the Middle East • Failing economies, governance deficiencies, and corruption • Less aggressiveness of the Iran-led axis • Sunni-pragmatic camp inclining toward normalization with Israel



## Recommendations

Expand normalization efforts • Include Egypt, Jordan, and the PA in regional economic initiatives • Attempt to improve relations with Turkey • Prepare for possible jihadist targeting of Israelis abroad

A decade after a series of uprisings swept the Middle East and North Africa, the region continues to be characterized by an overarching struggle unfolding on two fronts: between competing camps seeking to reshape the regional order according to their political and ideological interests, and between publics and their governments within the individual states, where fundamental economic, social, and identity-related problems that fueled the original uprisings have remained intact or worsened. In 2020, this broader struggle proceeded against the backdrop of a global pandemic and what turned out to be President Trump's last year in office, two factors with significant implications for Israel's relations with the Arab world.

## The Battle between the Camps

The region continues to be dominated by four main camps vying for hegemony as they seek to impose their preferences along a number of key fault lines, including relations with the West, Iran's role in the region, the integrity of the nation-state as the basic unit of the regional system, political Islam, and sectarianism.

The four camps are:

- The Iran-led axis, comprising Iran and its mostly Shiite allies and proxies in the region, including militias in Iraq, Bashar al-Assad's Syria, Hezbollah in Lebanon, the Houthis in Yemen, and Palestinian Islamic Jihad in Gaza (despite the latter's Sunni orientation).
- The Turkish-led bloc of Sunni Islamists sympathetic with the Muslim Brotherhood (MB), including Qatar, Hamas in Gaza, and the handful of Islamist political parties across the region.
- The Sunni pragmatic states of Egypt, Jordan, Saudi Arabia, the United Arab Emirates, Bahrain, and Morocco, coalescing around the goals of countering Iranian influence and eclipsing the Muslim Brotherhood.
- The jihadists of al-Qaeda and the so-called Islamic State (ISIS/Da'esh).

## | 4 Camps in the Middle East



The battle between these camps underwent four noteworthy changes in 2020, all of which will have ramifications for the coming year. First, the Iran-led axis moved into a “wait and see” mode. Despite being more cohesive than the other camps, the bloc was less aggressive in 2020 than in previous years – a combined result of Quds Force efforts to recover from the loss of Qasem Soleimani early in the year, reduced bandwidth as Iran struggled to contain its COVID-19 outbreak, the Trump administration’s “maximum pressure” campaign, and ongoing Israeli military operations in Syria aimed at preventing Iran’s entrenchment there. The November killing of Mohsen Fakhri-zadeh, head of Iran’s military nuclear program, only reinforced the camp’s vulnerabilities, even as its regional footprint remains largely unchanged.

Second, the year saw a surge in Turkish assertiveness, reflected in Ankara’s military involvement in Libya, a number of confrontations with NATO vessels in the Eastern Mediterranean, and tests of the S-400 air defense system purchased from Russia. These developments suggest a degree of recovery on the part of the Sunni Islamist bloc, which has struggled to remain relevant since the downfall of the Muslim Brotherhood in Egypt. Indeed, the bloc’s mild recovery notwithstanding, the Egyptian Brotherhood remains severely weakened.

Third is the new and proactive leadership in the pragmatic Sunni bloc. The center of gravity of this traditionally fragmented camp shifted from Egypt and the Levant to the Gulf, where an increasingly proactive leadership in Abu Dhabi sought to strengthen and bring greater cohesiveness to the bloc. Such efforts were expressed in high-profile Emirati support for states in the Eastern Mediterranean seeking to counter Turkish influence there, and in low-profile moves such as the decision by the UAE and Jordan to open consulates in the Western Sahara, thereby reinforcing Morocco’s membership within the camp.



The fourth change concerns the Salafi-jihadist forces. This camp remained a “two-headed” bloc dominated by ISIS and al-Qaeda, which, each for its own reasons, are experiencing a crisis. ISIS is in a stage of recovery and reorganization, following the group’s defeat in Syria and Iraq, the loss of several leaders, and the eroded value of its brand name. Nonetheless, the movement and its partners continued with terrorist operations and guerilla activity in 2020, both within the Middle East (in Iraq, Syria, and the Sinai Peninsula) and worldwide. Al-Qaeda and its partners also carried out terrorist and guerilla attacks in the Sahel region, East Africa, and Afghanistan. The group has been beset with a crisis in leadership since the killing of its veteran leaders, and most recently, the reported death of its current leader, Ayman al-Zawahiri. In the coming year, the two organizations are expected to focus on planning for their future, but presumably their guerilla and terrorist activity will continue, including against Israeli and Jewish targets, partly in response to the normalization agreements between Israel and Arab countries.

Given these trends, the coming year could see deepening regional divisions between the pragmatists and the Islamists on the one hand, and between the pragmatic and Iran-led camps on the other. Two potential scenarios deserve mention. The first entails an escalation of tensions and further instability in the Eastern Mediterranean basin, raising the prospect of a confrontation between Israel and Turkey (although there are also signs of a potential moderation on Erdogan’s part, motivated by the economic crisis in Turkey and Biden’s entry into the White House). A second possibility is that the perception of an ascendant “pragmatic” camp will incentivize a rapprochement between the Turkish/Muslim Brotherhood camp and elements of the Iran-led axis. In this context, actions by Iran, its proxies, and radical Palestinian groups such as Hamas and Islamic Jihad aimed at thwarting normalization are likely.

## A Hiatus in the Intra-State Struggles

Over the last decade, the region’s longstanding economic crises, lapses in governance, and identity-related conflicts have fueled ongoing confrontations between Middle East publics and governing elites. The onset of the coronavirus crisis in early 2020 introduced a paradox. On the one hand, the pandemic forced protesters in countries like Algeria, Iraq, and Lebanon to stay home, thereby offering regimes a measure of relief, the chance to consolidate their power, and an opportunity to prepare for and preempt future bouts of unrest. On the other hand, to the extent the economic impact of the virus exacerbated the very core problems that fueled opposition to these regimes in the first place,

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the pandemic likely increased the chances of future instability. For the time being, publics across the region appear exhausted, suggesting they may not have the bandwidth or energy to take to the streets in significant numbers anytime soon. But given the region's unresolved core economic and social problems, and the regimes' determination to consolidate their rule, instability is likely and could manifest in the form of renewed protest movements, waves of migration, or chaos if the states collapse under the weight of the pandemic's economic impact.

## A State-by-State Review

Lebanon, Syria, and Iran are analyzed elsewhere in the *Strategic Survey*

### Egypt



The COVID-19 pandemic has led to the death of thousands of Egyptians, and exacerbated a number of fundamental economic problems, among them a steep drop in growth, higher unemployment, and climbing poverty rates. The emerging macroeconomic picture in Egypt in late 2020 is less severe than in other countries in the region, in part because of an emergency loan and assistance package through an \$8 billion grant by the International Monetary Fund. Although the small-scale protests that broke out in Egypt in September testified to dissatisfaction with the socioeconomic situation, they did not constitute a threat to the regime's political stability. In the regional sphere, Egypt and Greece signed an agreement delineating the maritime border between them in August, and progress continues in the Egyptian-Greek-Cypriot tripartite relationship. The Eastern Mediterranean Gas Forum was formalized in September, becoming an intergovernmental organization with its headquarters in Cairo, and the United Arab Emirates submitted a request in December to join the Forum as an observer. Egypt, Jordan, and Iraq are promoting the "New Levant" as a regional axis for cooperation on oil and electricity matters, and Egypt and friendly countries conducted joint military maneuvers in the Red Sea, the Mediterranean Sea, and even the Black Sea, which was interpreted as a warning signal to Turkey. The Grand Ethiopian Renaissance Dam dispute is expected to continue preoccupying Egypt in the coming year, following a deadlock in negotiations between Egypt and Ethiopia, and Addis Ababa's decision to begin filling the dam unilaterally.

### Jordan



The number of COVID-19 patients has reached new heights, and the country has been forced to open field hospitals. Throughout 2020, Jordan lost essential sources of income, including tourism, remittances, and transit fees. Grants from countries and organizations are dwindling, while the need for aid to the economy and a reduction in government debt has grown. In the realm of domestic politics, there have been signs of dissatisfaction with government policy and the results of the parliamentary elections. The normalization between Israel and the Gulf states complicates the kingdom's integration in the emerging regional order, reflecting a degree of decline in Jordan's regional importance. The negative trends in health, the economy, and internal politics are likely to continue in 2021. Nevertheless, a number of positive trends from Amman's perspective are evident, including the suspension of Israel's annexation of territory in the West Bank. The Biden administration is expected to be more palatable for Jordan than the Trump administration, and countries and international organizations are now assisting the kingdom (albeit on a limited scale). The regime does not appear to be in any danger of collapse.

### Saudi Arabia and the Gulf States



The bloc of Gulf states is stable, if still fragmented. 2020 featured an economic crisis caused by low oil prices and the pandemic, which heightened the economic pressure on the six countries and led their royal houses to introduce changes into their social contracts. Kuwait and Oman saw changes of leadership, and Saudi Arabia is awaiting the departure of King Salman from the scene. His son Mohammed bin Salman, the de-facto ruler, faces pockets of opposition and is therefore expected to continue fortifying his position. The boycott declared by the Arab Quartet against Qatar ended in early 2021, but mutual distrust remains, which stands to complicate the potential formation of a more united front against Iran. The United Arab Emirates normalized relations with Israel for strategic reasons, among them the Iranian threat; the UAE's need for close relations with, and benefits from, the United States; and a desire to improve its international image. Saudi Arabia began preparing for normalization with Israel a few years ago, but faces greater internal and external constraints than does the UAE, and these constitute a barrier to closer relations with Israel.



## Turkey



Ankara pursued a more assertive policy in 2020, marked by many actions deemed provocative by its rivals. Prominent among them was Turkey's military intervention in Libya, which changed the course of the war and saved its ally – the Government of National Accord. Turkey also sent drilling vessels to the territorial waters of Cyprus and Greece, and declared that the solution to the Cyprus problem was two separate countries, in contrast to the peace processes hitherto conducted, which aims to unify the two parts of the island. Turkey's military aid to Azerbaijan was particularly successful. In October, Turkey conducted a test of the S-400 missile system that it purchased from Russia. Some of these acts led European Union countries to toughen their policy toward Turkey, and to demand the imposition of sanctions against Ankara. Although outgoing US President Donald Trump prevented the imposition of heavy sanctions against Turkey during most of his term, in December 2020, following growing pressure from Congress, sanctions were imposed against the Turkish defense industries and their executives. The mounting economic difficulties in Turkey and Biden's election have led Turkish President Recep Tayyip Erdogan to adopt a more moderate line, as indicated by his speeches since November. It is unclear, however, how this rhetoric will translate into action on the ground in various arenas.

## Iraq



Iraq saw a certain puncturing of Iranian influence, although the ongoing attacks on local US targets prompted Washington to threaten to withdraw most of its forces. The year began with the January killing of Abu Mahdi al-Muhandis (the deputy commander of Iraq's Popular Mobilization Forces, killed alongside Qasem Soleimani) and extended to the May appointment of Prime Minister Mustafa al-Kadhimi, a figure opposed by several leading Iran-backed militias. Unlike most Arab states, which leaned on their security apparatuses to enforce measures to contain the pandemic, the dearth of strong institutions and the weakness of Kadhimi's caretaker government put Iraq at a significant disadvantage; COVID-19 has thus far infected more than 550,000 and killed more than 12,000 – more than any in other Arab state. Declining oil prices due to the pandemic hit Iraq's economy especially hard, and in October mass demonstrations resumed, calling for an end to corruption, implementation of long-promised economic and governance reforms, and accountability for the deaths of protesters killed by government forces a year earlier. Early parliamentary elections, a key demand of the protesters, are scheduled for June 2021.

## North Africa and Sudan



With the exception of Libya and Sudan, North Africa was largely preoccupied by the pandemic crisis throughout 2020. In Tunisia, the government handled the first wave of infections well but thereafter collapsed due to a corruption scandal involving the Prime Minister, and a gradual increase in social protests throughout the year highlighted the country's worsening economic predicament. In Algeria, the pandemic forced a year-long protest movement that toppled the presidency of Abdelaziz Bouteflika to suspend its demonstrations, offering Bouteflika's successor the chance to consolidate power even as the public largely continues to view the regime as illegitimate. And in Morocco, the monarchy struggled to contain the economic damage from the virus amid dire World Bank predictions of 10 million citizens falling back into poverty. In Libya, 2020 saw a deepening involvement of outside actors in the conflict, which remains frozen as UN-led negotiations continue; Turkey's military intervention was notable for halting the advances of Khalifa Haftar, who continues to rely on Emirati, Egyptian, and Russian support. In Sudan, the leadership that replaced ousted president Omar al-Bashir in 2019 arranged a deal removing US sanctions and thereby opening the door to much-needed economic aid in exchange for normalization with Israel and compensation for victims of terrorist attacks carried out by Khartoum under the previous regime.

## Yemen



The ongoing war in Yemen continued to reflect the broader conflict between regional camps, as well as discord within certain camps. Repeated efforts by Saudi Arabia failed to promote a ceasefire with the Iran-supported Houthis. This failure may reflect the Houthis' belief that resistance to Riyadh is a goal in itself, not merely a means of halting Saudi involvement in the country. While the coalition led by Saudi Arabia persists in its efforts to reinstate the government of President Abdrabbuh Mansur Hadi and maintain Yemen's territorial integrity, the United Arab Emirates continues to support the Southern Transitional Council (STC) separatist group. The collapse of the Riyadh Agreement, signed in November 2019, which was designed to resolve the dispute between the Yemeni government



and the STC, highlights the different priorities of Riyadh and Abu Dhabi in Yemen. Recently, efforts have been made to implement the Riyadh Agreement, but any success will likely prove ephemeral. Meanwhile, the pandemic has exacerbated the dismal humanitarian situation in Yemen, although there are no known official figures on morbidity and mortality, owing to the weakness of the healthcare system and the country's inability to conduct coronavirus testing on the necessary scale.

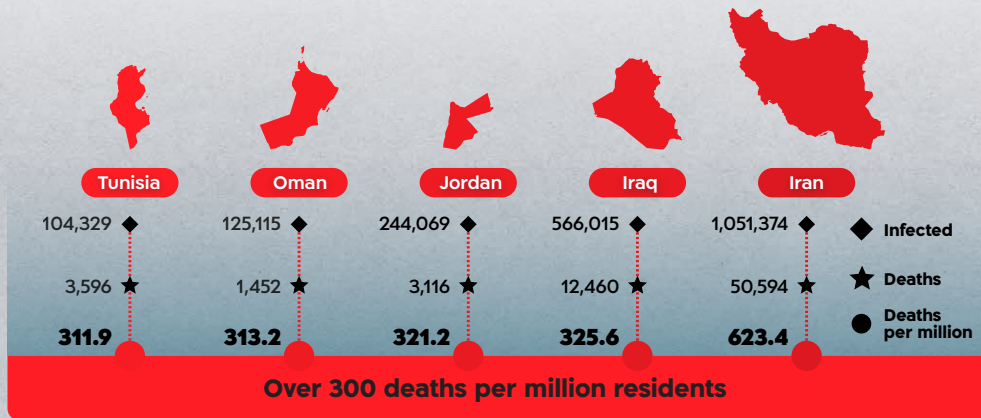
## Policy Recommendations

In recent years, Israel solidified its regional standing as a reliable ally of the Sunni pragmatic countries, while in tandem, the importance of the Israeli-Palestinian conflict on the regional agenda waned. Given countries' growing preoccupation with their domestic problems and the strategic calculations guiding leaders, for some of them the deadlock in the Israeli-Palestinian political process no longer constitutes a barrier to normalization with Israel. The normalization agreements signed in 2020 between Israel and the United Arab Emirates, Bahrain, Sudan, and Morocco, respectively, are evidence of these countries' desire to advance political and security objectives, and to obtain certain deliverables from an outgoing Trump administration. Acceptance of Israel in the region by the pragmatic Sunni bloc and the (potential) strengthening of the front against Iran in this framework is a welcome process, and will hopefully prove to be more than a temporary anomaly. At the same time, this trend will also create challenges for Israel if its new allies seek Jerusalem's involvement in regional arenas and conflicts Israel would do well to avoid.

Thus, Israel should capitalize on its recent normalization with Arab countries, and take action to expand the trend, while avoiding any undesirable military and other intervention requested by its new partners in the framework of their new ties. The mounting tension between Israel's Gulf allies and Turkey will require delicate balancing by Jerusalem, given its wish to avoid causing further damage to its already shaky relations with Ankara. Indeed, if the reports that Ankara intends to appoint an ambassador to Israel (in place of the caretaker embassy functioning as such since 2018) prove to be well-founded, it will indicate Turkey's desire to ease its regional isolation. In this case, Israel should return its ambassador to Turkey as soon as possible, and take advantage of the momentum to halt any further deterioration in Israeli-Turkish relations.

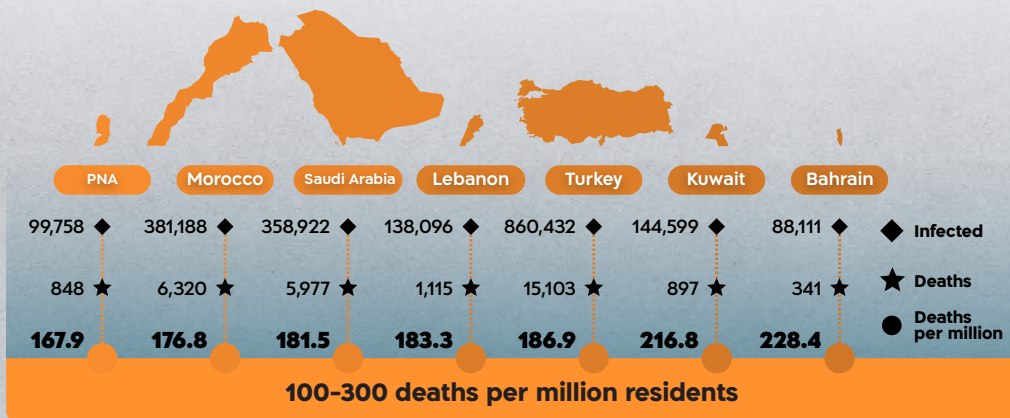
With Egypt and Jordan – countries with which Israel enjoys peaceful, if cold, relations – Jerusalem should strive to enhance cooperation surrounding water, energy, agriculture, tourism, scientific research, and public health. Jerusalem should also consider ways of integrating such cooperation into its new relationships with the Gulf countries, Sudan, and Morocco. Stabilization in the Israeli-Palestinian sphere (for example through security and economic cooperation, or under the influence of Biden administration policy) is likely to facilitate a thaw in relations between Jordan and Israel. Jerusalem has an interest in positive relations between Saudi Arabia and the incoming Biden administration, and should quietly encourage them behind the scenes. Finally, Israel should continue to monitor the actions of ISIS and al-Qaeda in the region, and prepare for the possibility that Israelis traveling to countries with normalization agreements will constitute a target for these organizations.

## Effect of COVID-19 in the Middle East and North Africa 2020



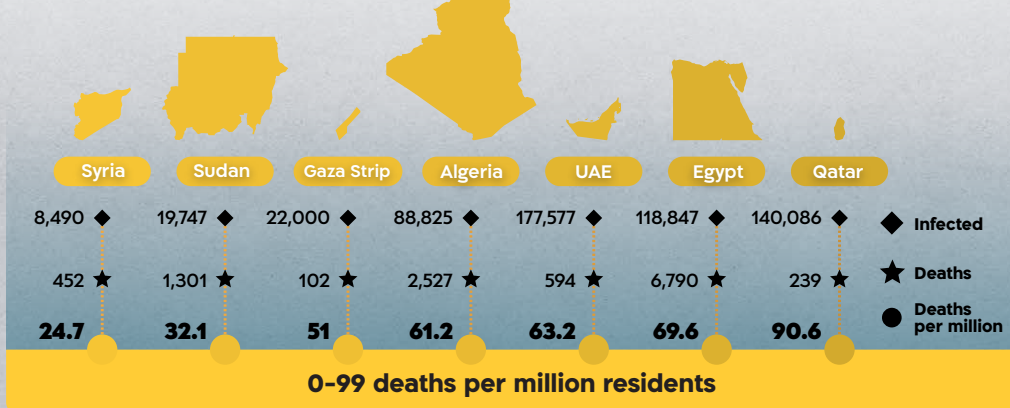
The figures are taken from Haaretz, and are correct as of December 8, 2020

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The figures on Gaza are taken from [www.npr.org](http://www.npr.org), and are correct as of December 1, 2020