

Roundtable Takeaways

Is a regional reset still on the agenda in the Middle East?

School of Government, Luiss Guido Carli, Viale Pola 12, Aula 12

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Moderating:

- Prof. Luigi Narbone, Director Mediterranean Platform – Luiss School of Government

Speakers:

- Dr. Ebtessam Al-Ketbi, President and Founder of the Emirates Policy Center, Abu Dhabi
- Dr. Joseph Bahout, Director Issam Fares Institute, Beirut
- Mr. Alex Vatanka, Director Iran Program, Middle East Institute, Washington D.C.
- Mr. Osman Sert, Research Director, Ankara Institute, Ankara

Special thanks to the Associate Junior Researchers of the Mediterranean Platform, Luiss Guido Carli:

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1. The GCC: what prospects for the ongoing ‘détente’ process?

- **Efforts to normalize regional relations have been ongoing over the last few years.** The GCC countries reconciled with Qatar after four years of blockade, relations are normalizing between the UAE and Turkey, and talks are taking place between Saudi Arabia and Iran. This seems to indicate a change of direction in the GCC countries’ relations among themselves and with the region.
- **The UAE is a case in point of the GCC’s new approach.** Over the last years, the UAE have opted for a ‘zero-problem with neighbors’ policy, which aims at de-escalating tensions, developing economic ties and resolving political disagreement through diplomatic means, although without compromising national sovereignty and security. According to Dr. Al-Ketbi, the UAE firmly believe that their security is part and parcel of the broader regional security, and that only a collective framework based on the principles of non-intervention and non-interference in other countries’ affairs can safeguard it, while also fostering stability and prosperity in the region.
- **On the global scene, the GCC countries are increasingly positioning as ‘independent’ players.** The Ukraine war has intensified the importance of the Gulf region. These countries, and in particular Saudi Arabia, have become more assertive and willing to pursue their own interests in the intensifying great powers competition. This is clearly visible in the Saudis’ relatively neutral stance on the Ukraine war, their cooperation with Russia on energy policies, or their developing relations with China. China is now a main strategic economic partner for the GCC, whose economies are still primarily reliant on hydrocarbons despite efforts towards diversification.
- **Gulf countries’ efforts towards economic diversification are also creating competition within the GCC.** In their attempt to reduce their economies’ dependence on hydrocarbons, Gulf countries are developing similar projects, inspired by the model of Dubai. Their lack of original ideas is thus leading them to compete for the same, limited, market, especially in the touristic field.

2. Does Iran want a regional reset?

- **Iran wants a regional reset, but a “selective” one.** This contradictory approach to détente will not allow for a breakthrough nor will it bring an end to Iran’s isolation. With whom does Iran want a reset?
- **Gulf states are key for Iran.** They are indispensable to an economy that remains under international sanctions, as conduits to access global markets. Therefore, Iran cannot afford to turn its back on these countries. Iranians are especially careful to avoid pushing them into the arms of their main rivals (US, Israel), for which they could become military launchpads. It has not allowed the Abraham Accords to become the shaping element of its relations with the Gulf states. The process of détente is thus steadily moving ahead. Positive diplomatic steps are ongoing with the UAE and Bahrain, whereas Saudi Arabia also appears ready for more talks. However, there has been no major commitment from the Gulf states so far in support of Iran’s economy.
- **Efforts towards a reset with Turkey are visible, but there are still some tensions.** These are mainly visible in southern Caucasus. Turkey’s inroads into this region has become a national security concern for Iran, which fears that Ankara might want to incite the Turkic minority in Iran. Nonetheless, potential Iranian-Turkish cooperation on Syria might help reduce the tensions.
- **Relations with Iraq are under test.** In particular, the US is now trying to tighten the sanctions regime on Iran by preventing it to access the Iraqi market, and especially to use the Iraqi banking sector to carry out international trade.
- **Iran is at a critical moment of its history.** It is geopolitically isolated and economically broken down. Moreover, a process of generational change is currently taking place. The generation that has ruled the country since the revolution has no record of economic achievements. The new leaders (in their 50s-60s) that are now coming to power should therefore re-assess the country’s regional policies to break its isolation, and focus on nation building at home, as is being done by the Gulf states.

- **Economy remains Iran's key challenge.** The country's economy is in free fall, its finances are in crisis, and investors have turned away – including Iranian themselves. According to Vatanka, this situation could be addressed by breaking Iran's geopolitical isolation. First, it should restore normal relations with its neighbors and give up on regional interventionism that has brought no economic rewards to the country. Then, it should also rebuild relations with the West, starting with the US. Believing that Iran's economy could be fixed through closer ties with Russia, China and other Asian powers is mistaken. The main solution lies in a serious change in Iran's regional and overall foreign policy.

3. What to expect from Turkey's foreign policy?

- **Election psychology is currently the key to understanding Turkey's geopolitical orientations.** No major shift or reset of Ankara's foreign policy is to be expected in the short-term as domestic perceptions do not call for any significant change. Turkish public opinion is largely supportive of the country's balanced stance on the Russia-Ukraine war, of its position in the Caucasus and of its process of normalization with regional neighbors (Egypt, Saudi Arabia, UAE...). Change may only be observed in Turkey's relations with the US and NATO, as Russia's invasion of Ukraine has created a more favorable geopolitical framework for Turkey to exploit, as an essential NATO member in the region.
- **A determining factor will be the economy.** Turkey is experiencing its worst economic crisis of the last 20 years, and Erdogan has so far been able to withstand it through financial support from the Gulf and Russia. Part of the incentives that have pushed Turkey to rebuild its relations with its neighbors is, indeed, to ensure investments in the country. But how the economy might affect Turkey's foreign policy after the elections is still unknown. Regardless of the new government, Turkey will continue to face economic difficulties. It may become more inward-looking, review its relations with the US and the EU, or be more open to the Gulf states. Real diplomacy will start after the elections.
- **Another key issue will be the normalization with Syria's Assad.** Russia has been pushing for this rapprochement. But Turkey's process of normalizing relations with its neighbors had started already before the war in Ukraine. Turkey's dependence on Russia's financial support to address its economic crisis and Erdogan's political closeness to Putin may explain this move from which Turkey has not much to gain.
- **Turkey has little to win from re-setting relations with Syria.** Assad cannot deliver on the main issues of concern for Turkey. On top of them is the refugee issue, which comes second in domestic politics after the economy. Assad does not want the refugees back and the refugees are unwilling to return to a Syria ruled by Assad. Erdogan's claim that he may send them back is thus more for domestic consumption than based on practical realities. Moreover, according to Sert, Assad does not have the capacity or willingness to deliver on the main security issues for Turkey, i.e. border security and the fight against the PYD/PKK.
- **Iran's positioning will be key in terms of regional reset.** Teheran continues to see the relationships in the region as a zero-sum game. It has thus been the most reluctant neighbor to a rapprochement with Turkey. Disagreement between them persists in the Caucasus and in Syria, whereas the control of Iraq may also become a point of rising tensions.
- **Until the elections, the West (Israel included) will adopt a wait-and-see attitude towards Turkey.** They will not attempt to weigh on Turkey's public debate, leaving Erdogan with more leeway in its relations with the West and with Israel. Although initially critical of the Abraham Accords, Turkey seems to have tacitly endorsed them and has displayed more restraint on the renewed tensions between Palestinians and Israeli recently, compared to its previous harsh reactions.

4. What place for Syria and Lebanon amidst the geopolitical competition?

- **Developments in Lebanon and Syria are increasingly intertwined.** Both are now deeply failed states. The Ukraine war has been a turning point, especially for Syria where the fallout of the war has been felt the most due to the strong Russian influence there. What are the elements that will require specific attention in the coming months?

In Syria:

- **The relative weight of Russia and Iran on the Syrian regime.** Both countries are backers of the regime but also competing for influence. The war in Ukraine that has 'supposedly' diverted Russia from the Syrian field may push Iran to try to fill the void, but no tangible changes have been observed on the ground yet.
- **The situation in North-West and North-East Syria and the country's rapprochement with Turkey.** The normalization pushed for by Russia is slow but resolute. For Bahout, it would constitute a big gain for both countries. Northern Syria would become much calmer and Assad's regime would regain sovereignty over territories (notably the Idlib province) without fighting. Regime's control over the Kurdish component would also be beneficial to Turkey, as well as the possible return of refugees to Northern Syria. However, what could be the US reaction to this move, as it remains relatively isolated in Syria? As well, how would Iran perceive this rapprochement that is sidelining it?
- **Syria's southern front and the impact of the new Netanyahu government.** Since the last Israeli elections, a surge of military operations has been observed in the region. Netanyahu's closeness to Putin may result in some Russian-Israeli security arrangements over Syria, which would lead to a curbing of Iran's activity in the South of the country. But the risks of flare-ups and escalation are still real, both on the Syrian/Israeli and the Lebanese/Israeli fronts.
- **Prospects of normalization of the relations with some Gulf states.** The recent warming of relations between Assad's regime and the UAE, and the latter's pledges for investments in several sectors in Syria are significant developments. However, Saudi Arabia's position on this rapprochement is still unclear. This normalization will also be tested with the possible, progressive reintegration of Syria into the Arab League.
- **What will happen in Syria in case of lasting cold war between US/Russia?** With a continuation of the war in Ukraine, Syria will inevitably become a collateral victim of the US/Russia competition. Its practical effects, however, are unclear. What would be the American behavior towards Russia in Syria? What will remain of the political process in Syria? Are the American but also the European sanctions going to last? Or will the Europeans attempt to re-enter the Syrian market?

In Lebanon:

- **Lebanon today is in the middle of three main stalemates:**
 - **A political vacuum:** the country is without a president since October, and ruled by a caretaking government and a paralyzed parliament. Domestic and international efforts to solve the deadlock are limited, with no prospects for improvement in the short-term. Rather, the country is on the verge of becoming completely dysfunctional, with all the risks – especially security – that it may entail.
 - **An economic and financial collapse,** causing dire living conditions for the Lebanese and increasing insecurity within the society.
 - **Contradictory regional dynamics,** with some persistent polarization but also efforts towards normalizing regional relations, notably from the side of Turkey – Lebanon being torn between both dynamics. The recent maritime deal between Lebanon and Israel, however, is a sign that certain understandings can be reached and may lead to more significant breakthroughs on more sensitive files in the region.
- **For the Lebanese, the economic crisis is tight to the country's geopolitical direction,** notably as taken by the predominant Hezbollah. Nevertheless, rebuilding ties with neighbors and reconnecting in particular with the Gulf States will not suffice to get the country back on its feet, according to Bahout. There are a number of structural reforms that need to be engaged by the Lebanese themselves at both the political and economic levels.

Conclusion: the economy as a driving force towards regional reset in the Middle East

- **Beyond the global geopolitical competition, economic factors are essential elements to understand the current process of détente and normalization of relations at play in the Middle East**, and will continue to heavily weigh on regional dynamics in the coming future.
- **Western powers need to re-calibrate the sanctions regime (on Syria, Iran...), to avoid some counter-productive effects.** Sanctions are causing severe suffering to the Syrian people, and contributed to strengthen rather than weaken Iran's proxy in Lebanon (Hezbollah), thus partly contributing to Lebanon's economic collapse.
- **The economic models in place in most Arab countries have shown their limits and need to be fundamentally rethought.** This is the message that emerged from the 2011 uprisings, but failed to be heard by the decision-makers. With several countries (Syria, Lebanon, Egypt, Tunisia...) now in a state of deep economic crisis or total collapse, coming up with a new economic model appears more urgent than ever.