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Conference report

**Impact and challenges for the Middle East and  
North Africa one year on from the Arab transitions**

Monday 21 – Wednesday 23 May 2012 | WP1166

In partnership with:

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NATO Defense College, Rome



## Conference report

# Impact and challenges for the Middle East and North Africa one year on from the Arab transitions

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### Key points

Over a year after Arab uprisings began, with a common point of departure the call for dignity, often expressed as ‘bread and freedom’, it is clear that the transitions underway are taking different trajectories, based on local conditions. Bringing together actors from the region with policy makers and analysts on the Middle East from elsewhere, Wilton Park sought to take stock of developments across the Middle East and North Africa, their inter-linkages and their implications for policy formulation and practice. Particular attention was given to security issues, including the triggers for conflict; managing the negative effects of change on the economy and promoting economic growth and prosperity; and the role and future prospects of Islamist groups.

Among key issues arising in discussion were:

- New political mobilisations have come to the fore, in particular the rise of Islamist movements, but also those based on new identities, including ethnic or sectarian, while secular forces are broadly losing power;
- Economic difficulties may develop into crises, and the economic model the international community has applied elsewhere to countries undergoing major restructuring may need to be reconsidered;
- Security sector reform, together with civil-military relations, needs urgent attention;
- Governments willing to assist transition countries will need to engage with Islamists and non-Islamists alike, and work with civil society to a much greater extent than has previously been the case.

### Context: domestic and external challenges

1. There are a number of domestic challenges facing transition countries in the Middle East and North Africa, and some of those where reform has not, or not yet, had significant impact. For transition countries, there is the need to address democratic reform and governance when there has been little experience of democratic culture. There is often no consensus on the nature of constitutional and democratic reform and a difficulty in establishing the necessary political cohesiveness among disparate groups. The sequencing of reforms and priorities for those who find themselves newly in power is an important question. There is a need for macro-economic stability, and job creation, yet foreign direct investment has become scarce. Imbalance in income distribution fuels a sense of injustice, and puts pressure on governments to come up with measures which have speedy impact. Urbanisation and demographic trends, including a youth bulge, are shared throughout the region, underlining the need for quality education to enable these societies to play an effective role in a globalised world.
2. External or regional factors also present challenges. The global financial crisis and a

perceived lack of leadership in economic governance have impact on the region, particularly on countries in transition. Migration, for example to the countries of North Africa and the Middle East, as well as immigration, often illegal, can be destabilising. With no resolution of the Israeli-Palestinian peace process in sight, concern over Iran's nuclear ambitions and a civil war raging in Syria, with major implications for all neighbouring countries, the region is constantly volatile.

3. Whether the uprisings, or movements, which have occurred over the last 15 months will spread yet further, remains an open question; the region is not homogenous. One of the major challenges, however, will be the management of expectations of the people of the region. These have been running high, and considerable concern is expressed at potential consequences if these are not adequately met.

### **Democratic change, elections and the rise of Islamist parties**

4. Elections have been held in several countries on the southern Mediterranean shore, and elsewhere, since the beginning of 2012, and have shown the argument for 'Arab exceptionalism' to democratic governance to be wrong. While there may have been a 'contagion' effect among countries holding elections, they were not part of a generalised movement, but were determined by national circumstances. The outcomes cannot therefore be easily predicted, or be similar; at the same time the pressure of meeting aspirations for democratic change may have led to hastily prepared elections in some instances, probably favouring existing social or political groups in the process. The proliferation of parties may also be disadvantageous for newly established groups; it may also undermine attempts to create national consensus on urgent domestic issues.
5. While Islamist groups have undoubtedly come to the fore, helped by their longstanding social presence, and organisational capacities, there is nevertheless considerable diversity among them. For example in Egypt the Muslim Brotherhood (MB) itself covers a broad spectrum: there is the political party furthering its ambitions to govern which appears to adopt a practical approach to its political agenda; and a more socio-conservative movement broadly supportive to-date of the political party. Additionally, Salafi movements, based on an intense social conservatism, have taken part in the Egyptian electoral processes, and with considerable success.
6. Islamist groups in Egypt, Tunisia, Morocco and elsewhere are now in government, and it is argued the reality of power will bring change. They will wish to continue in power. They can claim a philosophical vision as they come from the culture of their community, but at the same time they need to deal with real problems. There is less focus on doctrinal changes, and more emphasis on creating democratic space through having robust parliaments requiring executive accountability, as well as civilian oversight of the military; democracy is, after all, more than the holding of elections. Their platforms may not be fully refined, but broadly cover adherence to a market economy, the need to address social justice and strengthening of what they call the 'civic state'. Foreign policy is often unchanged. It is likely too early to predict which direction Islamist parties programmes will develop, for example with regard to women's rights; there is a clear need to accept the results of elections and the international community should engage with these new actors.

### **What prospects in some of the region's key countries?**

#### **Egypt**

7. Egypt's transition, prompted by waves of protest and political mobilisation, is now becoming more of a negotiated process, though a messy one, including in terms of civilian-military relations. There are tensions between Islamists and secularists; the 'old guard' and Islamists as well as secular reformers; civilian control and the military; the voice of 'the street' and institutionalisation; and revolutionary or democratic legitimacy. The split within Egyptian society was amply demonstrated by results of opinion polling

shortly before the Presidential election, when the leading contenders were known. Some 44% expressed a preference for a president of Islamic orientation; while 66% felt the president should have experience in government. No one candidate would meet these criteria. Is there a greater yearning for stability than on-going change? The military certainly aims to limit change, maintain its autonomy and economic privileges (the military is estimated to control some 30% of the economy), prevent any prosecution for involvement in human rights violations and retain influence over foreign policy. The MB has flip-flopped over opposing or supporting the Supreme Council of the Armed Forces.

8. There are also a range of views on economic development. The MB favours a liberal approach with foreign direct investment and support for the private sector. Yet trade unions play a strong role in Egyptian society, and look towards more state-led development. Egypt faces double digit inflation, and monopolies in domestic markets fuel corruption. There are also regional variations to poverty and development, which are not addressed adequately by the main political actors and their Cairo focus. Can confidence return to the economy? Egypt remains one of the most diversified economies in the Middle East, an important trading centre and no major investors have yet withdrawn. There is felt to be economic potential if political risk can be mitigated. Shortages of diesel and foodstuff could yet trigger a second uprising, enabling the military to step in.
9. Even if the International Monetary Fund's (IMF) package to Egypt does not materialise, many believe it is vital to provide aid. A short term increase in public spending is surely necessary for political reasons. A new security arrangement could also be envisaged for the Sinai, with a development package to accompany, coordinated with Israel. Private sector investment should be promoted although it is acknowledged that lack of regulation of the labour market is a huge challenge to investors.
10. Labour market regulation is, however, felt to be feasible, and it would considerably consolidate the legitimacy of the government. Even if the government cannot guarantee a job, it can regulate to provide health and safety protection, strengthen the right to unionise but to enable better functioning and more professional unions which are able to negotiate and not only call for strikes. Most recent labour unrest has been in the government sector; the bureaucracy is a strong interest group, and exerts much influence. If the labour market and bureaucracy are not reformed, some fear all economic recovery may fail.
11. The big question remains whether enough support can be mobilised for these economic policy measures. It will be hard for Islamists or others to implement this vision and policy.

## Libya

12. The National Transitional Council, Libya's ruling authority, is struggling to assert its authority and retain its unity. Local identities and loyalties, long suppressed, have re-emerged with a vengeance. Despite the end of fighting to overthrow Colonel Qaddafi, militias remain worryingly strong and defy central control. They are based on either tribalism, as tribes still constitute the fabric of Libyan society, or ideology. Libya is one of the most densely armed states in the world, and needs strong and coherent programmes in place for disarmament, demobilisation and reintegration.
13. Islamists fall into three main camps. There are the jihadists, or ex-jihadi, former fighters in Afghanistan, or Iraq, belonging to the Libyan Islamic Fighting Group (LIFG), which represents the biggest security risk. The Muslim Brotherhood, distinct from its Egyptian counterpart, has traditionally adopted a pragmatic approach. While it has eschewed violence, its attitude towards democratic governance is untested. Thirdly, the Salfists are the most powerful group at grass roots level, and have a broad network of local non-governmental organisations. But they lack charismatic leadership. Members of Islamist groups are estimated to have constituted some 80% of fighters in the revolt

against Gadaffi, were largely reputed to be well organised, disciplined and skilled, so have emerged as a strong force.

14. How strong are the demands for a federal state, or succession of the eastern part of the country, is hard to judge. Libya in the mid twentieth century was briefly constituted under a federal system, and there is historical opposition from the east to central government. It is possible that greater judicial and economic sovereignty, for example, may be a sufficient response. Regionalism is a greater problem, given the strength of Libya's tribes. Libya will remain unstable until the south, where much of the country's oil wells are located, is brought under control, although oil production is said to be back to pre-revolutionary levels.
15. Despite Libya's oil wealth, there is high unemployment, especially in some of the liberal professions, and socio-economic programmes are seen to be failing. Approximately 60% of Libya's population is under 25 years old, and there is an urgent need for job creation schemes. Some suggest that frozen assets could be used for this, but no authority in Libya wants to take responsibility for such action.
16. Libya's road map is an ambitious one. Following elections<sup>1</sup>, a period of 60 days was assigned for a new Constitution to be drafted<sup>2</sup>. Concern is expressed that without international engagement the Constitution will be shaped by persons with insufficient background in how democratic and representative institutions are built and maintained. There is a huge task in disseminating education in democratic values. Most engagement in politics is through mosques, including for young people, not through civic initiatives. Political parties make little effort to convey their messages through the media. Libya may have a bumpy road in transition, but if it uses its oil revenues to best effect, it has a distinct advantage over most of its neighbours.

## Syria

17. To what extent is the Syrian state still functioning effectively? Is it a realistic scenario that the state might collapse before the Assad regime does? Some estimate that while central ministries and governorates may be functioning around 70%, in rural areas state authority operates only to some 40%. Unemployment has risen dramatically, inflation soared, oil production plummeted and tourism is at a stand-still. With the proliferation of anti-regime protests throughout Syria, increasing activity of the armed opposition, and deterioration in the economy, delivery of services and disruption of supply of foodstuffs and other basic commodities, there seems no possibility of returning to the *status quo ante*.
18. Some estimate there are around 45,000 people engaged in resistance to the regime. This includes some 4-5,000 defecting military personnel, and a similar number of military defectors who have not joined the Free Syrian Army (FSA) but simply returned to their homes. In the east, including Homs, Sunni Muslims oppose the regime since they see it become increasingly dependent on Iran. Islamist groups are growing in strength because of mounting anti-Alawite sentiment. There is reportedly a rising confidence among the FSA, and greater synergy between the local coordination committees and the FSA in most parts of the country. Some believe that if the opposition should be able to establish safe havens in the south, this would encourage further military defections. Enlarging the area where the state has no, or little, control is seen by the opposition as one of the tipping points, and deliverable, especially if heavy weapons and funding are supplied, as the opposition requests. Some suggest that there is a growing feeling, for example in the Gulf, given the reluctance of the international community to intervene militarily, the opposition should at least not be prevented from defending itself. The Syrian National Council (SNC), while the main interlocutor with the international community, is essentially running behind the 'Syrian street'.
19. With Syria descending into civil war, the question arises where would power lie in the event of the Assad regime's defeat. There is a real risk of sectarianism taking hold,

and 'statelets' being formed. What would be the role of the military? Given its senior ranks are staffed by Alawites, the possibility of the military taking over is contested. There are doubts about the SNC's ability to provide leadership; some suggest the local coordination committees provide a basic form of organisation. Efforts are reportedly being made to negotiate with some in the Alawite community. Syria's Kurds have an ambiguous attitude and are seen to be sitting out the developing civil war. Some suggest the Partiya Karkeran Kurdistan (PKK, Kurdistan Worker's Party) will become emboldened; while the PKK was previously controlled by the Assad regime, it is itself now the authority in control of northern Syria.

20. Hezbollah has been conspicuously quiet about developments in Syria, seeking rather to bolster its position in Lebanon<sup>3</sup>. It does not want to become involved in events in Syria, which will spill into Lebanon where tensions in the north particularly are already running high. While Iran wishes to keep its influence in Syria, and preserve it as an ally in the anti-Israel camp, it is arguably not committed to specific individuals remaining in power, and may be more flexible than Russia in respect of regime change.

## Iraq

21. Iraq may no longer be seen as a priority by the international community, but it is a country which cannot be ignored. Any dismantling of Iraq would have major consequences in the region, for Iran, Turkey and Syria. Some question whether the Kurds are angling for independence; there would be no support for this in the Gulf, for example. It is nevertheless argued that the Kurds are needed in Iraq more than they need Iraq. Some express concern at what can be seen as a 'cold war' in Iraq between Sunni and Shi'a. There is also unease about the extent to which Iraq will increasingly act on the part of Iran. Iraq may well constitute a vacuum in the region for the next several years.

## Developments in the Gulf

22. Is Saudi Arabia the predominant power in the Gulf, or perhaps re-emerging after a decade when it was on the defensive, following the terrorist attacks of 9/11, the illness of King Fahd, and rivalry with Qatar? There are differing views. Certainly in land mass, as custodian of the Holy Places, the biggest economy and in military strength, Saudi Arabia is a pre-eminent power. But it also faces challenges. On the domestic front, there is an ageing leadership; while efforts are underway to provide for a smooth succession through placing younger members of the royal family in ministerial or senior posts, control is essentially still exercised through the king. While Saudi Arabia witnessed relatively minor protests during the Arab uprisings, there is no longer such a fear of the state in the Arab world, so no country can be considered immune. Continuing protests, and grievance, are of concern in the country's eastern province, where the major oil fields are to be found. It has long been an isolated area, and issues such as resource allocation have not been tackled adequately. Saudi Arabia is convinced there is both direct and indirect Iranian support to the province's Shi'a population. Iran is also perceived as meddling in Bahrain. There is increasing tension with Iran about its nuclear intentions and Saudi Arabia will not stand by if Iran develops nuclear weapons. There is concern about Iran's rising influence, and Saudi's declining sway, in Iraq. Yet relations with Qatar are improved in recent years.
23. Qatar's pro-active foreign policy has been in evidence before the Arab uprisings, but it has capitalised on opportunities resulting from the turmoil in the region. Whether Qatar has a strategy is another question. It has certainly reached out to some Islamist factions, particularly in Libya, and wants to have influence among countries in transition. It can effectively bankroll those it supports. While relations with Saudi Arabia have improved, Qatar nevertheless seeks a distinct role in foreign policy in the Arab world.
24. Bahrain is, of course, the country in the Gulf most dramatically affected by protest. The

Gulf Cooperation Council (GCC) viewed developments as a sectarian issue, and some GCC member states sent troops to help overcome the demonstrations. The GCC agreed to provide financial assistance towards housing and other infrastructure development. Since the Bahraini authorities reportedly did not come up with a clear plan on how the money was to be used, it was not delivered. The GCC should continue to push the Bahrainis, for example enabling the Shi'a in Bahrain to practice their religion according to their tradition, which would diffuse some of the discontent. Some doubt there is a serious Iranian role in the Shi'a opposition, though Iran will aim to exploit the situation by encouraging its clerics to make comment, which embarrasses the Bahraini opposition.

25. The GCC has good cooperation among its members on security issues, having solved border issues among themselves. Although acting as a strategic bloc, members do not, however, agree on all foreign policy issues; they tend to have differentiated roles, some maintaining better relations with Iran or Iraq than others for example. The GCC offer to broaden its membership to constitutional monarchies Jordan and Morocco at the outset of the uprisings has been quietly dropped. Yemeni membership seems to have been forgotten. Rather than widening, the GCC is now looking at deepening its cooperation. Some sort of union has long been an objective, but the vision for this is unclear. Bahrain expressed an interest, although it is already de facto tied to Saudi Arabia. The concept raises sensitivities with most other states. There has been progress in GCC cooperation on the economic front, including on customs, but military integration is seen to be a long way off.

### **Israel-Palestine: factors of stability or instability Islamist parties**

26. With the Palestinian issue driven off the front page by other news in the region, Prime Minister Netanyahu sees opportunity in playing for time, and awaiting the outcome of the US Presidential election in November. Admittedly, there is some pressure from settlers and his Likud Party, and settler skirmishes can become a trigger for greater violence. But most Israelis do not generally feel insecure as a result of the stalemate with the Palestinians, despite the option for a two-state solution receding, and the obvious demographics of a one state alternative.
27. The Arab awakening has brought new concerns for Israel. Primary among these are the chaos in Syria, and also the Sinai, the security of Syria's chemical weapons in the event of a collapse of the regime, and the election of an Egyptian President from the Muslim Brotherhood, given Israel's geo-political relationship during Hosni Mubarak's rule. While treaties have not been renounced, is Israel's existing cooperation with Arab neighbours like Jordan and Egypt sustainable?
28. Some speculate that in both Israel and Palestine new political formations could mobilise, based on the younger generation and as witnessed by the protests on social issues in Israel in the summer of 2011. Given the worsening economy and cash flow problems for the Palestinian Authority, the possibility of a new Intifada cannot be ruled out.

### **Turkey's role in the region**

29. Turkey had become a significant player in the Middle East prior to the Arab awakening, with its vision of regional economic cooperation and role as mediator between Israel and Syria, although its policy of 'zero problems with neighbours' was strained when its relationship with Israel deteriorated. Turkey achieved much on the basis of its soft power. More recent developments in the region following the Arab uprisings, bring questions for Turkey's national security interests and whether hard power should be brought into play.
30. Turkey reacted fast to the systemic change in both Tunisia and Egypt. There is a strong attraction in the region for the 'Turkish model'. Given Turkey's cultural affinity with the Middle East, the Turkish experience in political and economic reform, as well

as institution-building is felt to be an example which could have significant application in transition countries. In this respect Turkey is also a very valuable partner for Europe and the West.

31. Turkey was initially reserved about action in Libya, although it was prompt in providing humanitarian assistance and medical aid to Misrata, and in Syria, but for Turkey tipping points were reached in both when further engagement became futile. Developments in Syria have been pivotal in juggling soft and hard power considerations. Syria has become a major issue domestically, given the real danger of the turmoil in Syria creating instability in Turkey. Turkey would, of course, prefer multilateral action rather than acting alone.
32. Relations with Iraq have become more complicated, with the sectarian split between the ruling Shi'a coalition and the Sunni Vice President when US forces withdrew in late 2011. With Iran the relationship has also soured; Turkey had perhaps expected more openness for its business community when it reached out to Iran. Although the respective business communities may try to repair some of the damage done to Israeli-Turkish relations, there will be no full rapprochement for Turkey without an Israeli apology.

### **The international community and assistance to Arab transitions**

33. Developments in the Arab world happily coincided with a remodelling of the European Union's (EU) Neighbourhood Policy. It enabled the EU to question whether it was supporting appropriate countries, and its action was on the right track. Following review it was felt that there should be a clear focus on democratic transition, a stronger partnership with civil society, and sustainable and inclusive economic development should feature in the programme. The approach would be incentive-driven, or 'more for more', based on money, markets and mobility. Over one billion Euros will be additionally available in enhanced development support for the southern Mediterranean. Deep and comprehensive Free Trade Agreements will be negotiated, harmonising standards with the EU. There have been difficulties in implementation, partly due to the political mind-sets of EU member states, some of whom still work on the basis of 'client states' and disagreement among them. The European External Action Service (EEAS) is itself under construction and not working to full capacity, while working with civil society can be highly labour intensive. The European Endowment for Democracy has been 18 months in the making.
34. While there are criticisms, perhaps based on unrealistic expectations of the amount of money to be provided and how it will be spent, there is a general sense that the right choices were made; the EU's biggest problem is how the new policy is presented, that is to say getting the message right.
35. The G8 Summit in May 2011 under the French Presidency was faced with an unexpected focus on the Arab awakening. The main political message the meeting wished to convey was that in assisting political transition there should be accompanying attention to ensure the economy does not derail. The Deauville Partnership brings together the G8, EU and five regional powers, Saudi Arabia, the United Arab Emirates, Kuwait, Qatar and Turkey and international financial institutions. It currently covers five countries, Tunisia, Egypt, Jordan, Morocco and Libya, focusing action in three main areas: good governance; economic governance; and trade. Programmes in recovery of stolen assets have been initiated with some countries, in transparency and accountability, creating small and medium sized enterprises, including direct support for these. Some argue the G8 initiative constitutes window dressing, since it does not essentially constitute new money to the region. The emphasis is very much seen as being on coordination. But the involvement of the Gulf countries is a positive factor; they are playing an active role and there is a political willingness to work together.
36. While some European countries have reduced bilateral assistance to the region at a time of financial austerity, the UK has maintained and increased its Arab Partnership



Initiative, which had been established shortly prior to the Arab uprisings. It represents a long-term commitment, and will also address political and economic reform hand in hand.

## Conclusion

37. While a number of authoritarian regimes have been toppled in the Arab awakening, here the commonalities end, and each country is now following a different trajectory, based on local conditions and the political realities of the situation. Transitions will not follow a linear development, there are likely to be setbacks as well as progress. While pluralism, elections and constitutional change are all important parts of transition, other elements of the system need attention, for example the bureaucracy, administrative and legislative measures, and in particular civil-military relations. Local actors need to press for civilian control of the military. Sectarianism has come to the fore as a powerful mobilising force, used by both those in power and opposition. There is no longer a sense of impotence in the face of authoritarian regimes. Governments will need to focus on concrete issues, in particular the economy, which bridge the gap between divergent ideologies in society.

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<sup>1</sup> Parliamentary elections were originally scheduled for 19 June, and subsequently postponed to 7 July.

<sup>2</sup> The 60-day period has now been doubled to 120 days.

<sup>3</sup> Hezbollah Secretary-General Hassan Nasrallah has now commented in a statement condemning the killing of three senior Syrian security officials on 18 July 2012.