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Middle East Analysis Report

Various conflicts and clashes occurred in the Middle East throughout 2020, and this had impacts inside and outside the region. The Middle East Institute of Japan has put together the following retrospective overview of the fundamental situation in the Middle East in 2020.

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A Review of the Situation in the Middle East in 2020

The Middle East Institute of Japan

1. Overview

In 2020, the most significant trends in the Middle East were the transformation of socioeconomic life due to the spread of novel coronavirus (COVID-19) infections and the blow that this dealt to the economy. While the spread of COVID-19 infections is an unprecedented crisis that has disrupted life in countries worldwide, in the Middle East, weak medical infrastructure and lifestyle norms involving close contact with family and friends have greatly affected the situation, leading to an increase in patients. However, the lower number of infections and deaths compared with Western countries was partly due to strong security institutions that are able to compel citizens to comply with the infection control measures discussed below.

Middle East countries have experienced multiple "waves" of increasing infections, and in each wave, medical facilities have been unable to handle patient treatment due to the low level of medical technology, small number of infectious disease experts, and shortage of necessary medical equipment such as ventilators, with medical professionals also being infected. Furthermore, some distinctive lifestyle factors in the Middle East have played a role in the COVID-19 crisis, including the frequency of gatherings with family and friends, the

number of households where a large number of people live in a small place and worship in groups. These lifestyle factors have made it difficult to comply with social distancing, which is an important part of containing the spread of infections, and there are multiple examples of patient numbers surging in various communities. The governments of the Middle Eastern countries have also urged citizens to practice social distancing, wear masks, and sanitize their hands, as well as attempted to curb the spread of infection by closing borders, regulating movement between cities, stopping the operation of businesses and stores or shortening their business hours, and providing financial compensation to companies. In particular, Saudi Arabia, which contains the Islamic holy land and follows strict religious precepts, has taken unprecedented measures such as placing restrictions on people going out during Ramadan (the month of fasting) and restricting the number of people who participate in the Hajj (the Islamic pilgrimage, essentially limiting participation to residents of Saudi Arabia). The number of new infections was successfully kept down as a result (although infections are now increasing again in many countries), but Middle Eastern countries are still suffering from COVID-19's negative effects such as a sharp decline in tourism revenue and an increase in deficits due to major fiscal stimulus policies. In the oil-producing countries, falling oil prices triggered by worldwide decline in economic activity has led to decreased revenues. Yemen, Syria, and Afghanistan, which all have ongoing conflicts, also have another problem: they are unable to ascertain the actual state of infections because of the collapse of medical infrastructure due to fighting and the difficulty of conducting aid initiatives.

A second important trend is the growing tension around the Iran situation. With harsh sanctions from the United States and the spread of COVID-19 infections, Iran is between a rock and a hard place in both domestic and international politics. The Trump administration in the United States has accused Iran of plotting to destabilize the region through its nuclear program, weapons development, and assistance to various armed groups, and killed Commander Soleimani of the Islamic Revolutionary Guard Corps (IRGC)'s Quds Force in January 2020, which ramped up tensions in the Middle East. Additionally, in a strategy that the Trump administration named "maximum pressure," the United States unilaterally declared a snapback (re-imposition of United Nations [UN] sanctions) despite opposition from European countries, strengthened its own sanctions, and continued to take hardline policies against Iran. The United States aims to use such policies to force Iran to abandon nuclear development and the development of ballistic missiles. Sanctions against Iran have strained the country's economic situation, and there is growing dissatisfaction with President Rouhani's policy of international cooperation inside Iran. Conservative hardliners who view the Rouhani administration's approach as weak have gained power in the Iranian Parliament

and are increasingly pushing to promote the enrichment of low enriched uranium for peaceful purposes. There have also been incidents seemingly aimed at destabilizing the situation in Iran, such as an explosion at the Natanz Nuclear Plant and the assassination of nuclear physicist Mohsen Fakhrizadeh (the perpetrators of these incidents are unknown). These events have also strengthened conservative hardliners. It cannot be denied that the Trump administration's series of hardline policies have led to increased tensions in the region and invited the rise of conservative hardliners within Iran. Meanwhile, although Arab countries of the Persian Gulf that are allied with the United States see Iran as a threat, they do not necessarily want to escalate tensions with Iran. Much attention is focused on how the incoming Biden administration, which has pledged to return to the Iranian nuclear agreement (Joint Comprehensive Plan of Action [JCPOA]), will move forward the negotiations with Iran and the Gulf countries.

The third trend, related to the previous one, is the change in relations with Middle Eastern countries brought about by the Trump administration's Middle East diplomacy. As discussed above, the Trump administration's most important mission in its diplomacy with the Middle East is to force Iran to abandon its nuclear development and weapons development. With a November presidential election on the way in 2020, the administration attempted to achieve tangible results by coming out with a series of Middle East peace measures that took into account the desires of Israel and Christian evangelicals, who are the foundation of Trump's domestic support. In January, Trump proposed a new Middle East peace plan called "the Deal of the Century" that would refuse the return of Palestinian refugees, annex parts of the West Bank to Israel, and establish an unarmed Palestinian state. This overwhelmingly pro-Israel plan was received with delight by Prime Minister Netanyahu of Israel, who has a hardline stance toward Iran. Through U.S. mediation in August, September, October, and December, the United Arab Emirates, Bahrain, Sudan, and Morocco agreed to normalize diplomatic relations with Israel. The fundamental principle of Arab countries other than Egypt and Jordan, which have already signed the peace treaties with Israel, has long been to normalize diplomatic relations with Israel on the condition that a Palestinian state be established (the Arab Peace Initiative). As such, the decision made by those four countries resulted in a fierce backlash from Palestine. Meanwhile, the United States and Israel touted the normalization agreements as historic steps forward in Middle East peace and emphasized that their alliance against Iran had been strengthened. However, criticism and opposition from major Arab countries has remained restrained, and the successive normalization of diplomatic relations has deepened Palestine's isolation even in the Arab world, forcing it to resume peace negotiations with Israel. Although the incoming Biden administration is not likely to be as

pro-Israel as the Trump administration was, it has made it clear that it will continue policies that ensure Israel's security and is unlikely to change its position on Jerusalem's status as Israel's capital or the normalization of diplomatic relations with Arab countries. The new Israel–Arab relationship, which was established under efforts by the United States to isolate Iran, will likely pose two challenges to the incoming Biden administration. First is the question of how to proceed with relations with Israel, which wants the hardline approach toward Iran to continue, and relations with the Arab countries of the Persian Gulf, which do not want escalation. The other is the question of whether the two-state solution to the Palestinian problem can be promoted again.

Finally, we discuss Japan's approach to the situation in the Middle East. For Japan, which imports energy resources from Middle Eastern countries, the stability of the Persian Gulf region in particular is of vital interest. In light of this, then-Prime Minister Abe visited Saudi Arabia, the United Arab Emirates, and Oman in January 2020 with the goal of easing U.S.–Iran tensions. All sides confirmed the need to avoid further escalation and Abe gained acknowledgment regarding the dispatch of the Self-Defense Force to the Strait of Hormuz to ensure the navigational safety of vessels with connection to Japan. Japan is a country that has maintained friendly relations with both Arab countries and Iran. It has traditionally cultivated a good relationship with Iran in particular, and Prime Minister Abe's June 2019 visit to Iran—the first by a Japanese prime minister since the 1979 Iranian Revolution—was highly praised by Iran. While there is debate over whether the Abe administration's diplomacy as an intermediary produced results, the administration has been praised for acting to protect the stability of the Strait of Hormuz, which is in the global interest. These sound actions will sow the soil in which the fruits of Japan's diplomacy in the Middle East can grow. In that sense, Japan's diplomatic efforts to resolve the Palestinian problem must continue in the future. While the normalization of diplomatic relations between Israel and Arab countries has been described as the demise of the two-state solution, Japan has not changed its position in support of the two-state solution. The Middle East peace diplomacy necessary for Japan is to maintain good relations with both Palestine and Israel by continuing to provide economic and humanitarian aid to Palestine while also advancing investment and trading with Israel, as well as encouraging the UN and Western countries that mediate peace negotiations to make international efforts toward establishing a Palestinian state.

2. Trends to Watch

(A) Iran: Between a rock and a hard place in both domestic and international politics due to

harsh sanctions from the United States and the spread of COVID-19 infections

There is continued tension between the United States and Iran, which kicked off with the January 3 killing of Soleimani, commander of the IRGC's Quds Force. In addition to the United States imposing harsh sanctions under the banner of "maximum pressure" after unilaterally withdrawing from the JCPOA, Iran is also facing fiscal strain as COVID-19 spreads unabated. Furthermore, the United States has unilaterally declared a snapback (reimposition of UN sanctions) in September and strengthened its own sanctions; it also continues to take hardline policies against Iran by, for example, calling for an extension of the arms embargo. However, few countries were sympathetic, throwing into sharp relief the isolation of the United States internationally. Meanwhile, on the domestic front, the conservative hardliners who overwhelmingly increased their seats in the February parliamentary elections are gaining ground, and the results of the 2021 presidential election will be closely watched. In terms of national security, unrest has continued following a series of unexplained explosions where the involvement of outside actors was suspected, including the explosion at the Natanz Nuclear Plant (July 2).

Amid these circumstances, Iran has declared the unlimited elimination of uranium enrichment stipulated in the JCPOA, and the focus is on whether the next U.S. administration will return to the JCPOA.

(B) Middle East Peace: Normalization of diplomatic relations between Israel and Arab countries is underway

There has been a structural change in Arab-Israeli relations, with some Arab countries (the United Arab Emirates, Bahrain, Sudan, and Morocco) agreeing to normalize diplomatic relations with Israel. However, such moderate Arab countries that support the progress of Middle East peace negotiations have been building informal economic relations with Israel since the 1990s, and their agreement can be understood as simply the formalization of this relationship. The Trump administration, which mediated the normalization, has touted that it achieved Middle East peace where previous U.S. administrations have failed. The administration argued that Israel, the United Arab Emirates, Bahrain, Sudan, and Morocco have contributed to peace and stability in the Middle East by promoting cooperation in areas like trade, investment, tourism, and healthcare, choosing practical and economic benefits over achievement of an independent Palestinian state, which is actually hard to achieve.

Meanwhile, Palestine, another party affected by the Middle East peace process, condemned the normalization. Palestine called the new Middle East peace framework contrary to UN Security Council Resolution 242 and the Arab Peace Initiative. However,

President Abbas has stated that he is ready to resume negotiations with Israel. The incoming Biden administration in the United States has not announced a clear position on the Middle East peace problem. People are closely observing the administration to see whether it will carry-on the normalization of diplomatic relations between Israel and Arab countries created by the Trump administration and what framework it will use to broker Israel–Palestine peace negotiations.

(C) Turkey: A fluid situation

Three keywords come to mind when looking back on the situation in Turkey in 2020: (1) COVID-19, (2) natural resources, and (3) the economy. (1) Since the first case of COVID-19 was confirmed on March 11, the disease has spread explosively, with the number of infections per day exceeding 5,000 on some days until April. The government has implemented measures to control the spread of the disease immediately after the first case was confirmed, and the situation remained relatively calm from May on. On September 30, Health Minister Dr. Koca shocked the nation and the world by revealing that since July, government announcements regarding COVID-19 cases had been based on the number of cases reported rather than the number of people infected. The number of newly infected people surged in November and the government decided to tighten regulations to address this "second wave," but by the end of November, the number of newly infected people has exceeded 30,000 per day.

(2) Although Turkey signed a memorandum with Libya in November 2019, conflicts—with neighboring country Greece and the European Union as well as Middle Eastern countries such as Egypt and Israel, over Turkey's exclusive economic zone for development of East Mediterranean natural gas resources—have intensified. In particular, the situation with Greece is tense due to Turkey dispatching research ships including a warship in the area, but Turkey has maintained its self-assured stance. The government also announced that it discovered a large natural gas field in a survey conducted in the Black Sea coastal area, and drilling operations began there in October.

(3) Turkey's economy is currently in serious trouble. The decline of the Turkish lira (lira) has been particularly severe, which is a major blow to both foreign investments and the lives of citizens. The lira market is directly affected by the situation in and outside Turkey as well as the situation in the region. Since the start of 2020, the lira has fallen 25% against the yen and about 30% against the dollar. The Erdogan administration has consistently opposed rate hikes to counteract the falling lira, and the governor of the central bank has appointed people who are in favor of the administration's approach. However, on November 7, the president

dismissed central bank governor Murat Uysal and replaced him with Naci Agbal, stating that the measures undertaken to address the declining currency had not been effective. Immediately after the appointment was announced, the Minister of Finance and Treasury Berat Albayrak suddenly declared his resignation on social media. There are also whispers of discord between President Erdogan and Albayrak, who is the president's son-in-law, and this is expected to affect the future direction of the Turkish economy.

(D) Gulf Cooperation Council (GCC): The Structure of trilateral conflict + Israel that affects the security environment

In the Middle East today, it is fair to say that there is an established and tangible trilateral conflict between Saudi Arabia, Iran, and Turkey. Accordingly, the countries of the GCC have adopted three positions: Saudi Arabia, the United Arab Emirates, and Bahrain, which are "anti-Iran and Turkey"; Qatar, which maintains a neutral stance toward Iran and strong relations with Turkey; and Kuwait and Oman, which pursue a cautious neutrality or low-profile diplomacy. In 2020, relations with Israel took up a new position in this structure of conflict. Thus far, the countries of the GCC have maintained their position as passive mediators of peace in the Middle East by supporting the Palestinians through financial contributions while having no formal relation with Israel and avoiding a hostile relationship. The announcements that the United Arab Emirates and Bahrain would normalize diplomatic relations with Israel in August and September, respectively, were seen as disruptions to this equilibrium, and attention has turned toward other developments in Saudi Arabia, Qatar, Kuwait, and Oman. Establishing diplomatic relations with Israel is attractive as a frontier of economic diplomacy for countries that want to escape the double burden of economic stagnation caused by COVID-19 and decline in oil price since March. However, for some countries, establishing diplomatic relations with Israel does more than just brand them with the stigma of abandoning the "Arab cause;" it also raises concerns that Israel will try to intervene in their own security policies. As such, some countries have taken after the United Arab Emirates and Bahrain in maintaining a cautious stance.

(E) Syria: Continued fighting in Idlib and serious economic deterioration

The Syrian government expanded the area under its control in 2019, and the balance of power in the Syrian civil war remained in the government's favor in 2020. An Islamic extremist group Hay'at Tahrir al-Sham (HTS) and the Turkish military control the northwestern part of the country, and Kurdish forces (Rojava) control the northeastern part, while the remaining territory is controlled by the Syrian government. Russia, which supports

government forces, and Turkey, which supports HTS, signed a ceasefire agreement in March in the northwestern province of Idlib. However, the fighting is still ongoing in Idlib. The Islamic State continues to fight against Kurdish and government forces, primarily along the Euphrates River in the Deir ez-Zor Governorate.

Meanwhile, the economy has deteriorated further. In June, the Trump administration invoked the Caesar Syria Civilian Protection Act to sanction people and groups that militarily and economically supported the Assad regime or were involved in reconstruction projects in Syria. Additional sanctions have also been applied subsequently. The sanctions have caused the Syrian pound to plummet and prices to rise, further harming the lives of Syrian citizens.

The spread of COVID-19 is also a major concern. Medical infrastructures have been destroyed by the civil war, leading to insufficient testing and treatment. On top of this, citizens living in poverty cannot even receive testing and treatment. As of the end of November, the total number of people infected was over 30,000, with approximately 400 people infected per day, although the actual number is thought to be even higher.

(F) Afghanistan: As U.S. troops steadily withdraw, peace negotiations begin

Amid growing consensus that a military resolution would be difficult, the United States and the Taliban signed the Doha Agreement on February 29. Under the aforementioned agreement, the United States will withdraw all of its forces from Afghanistan within 14 months from the date of the agreement, while the Taliban will not allow Al-Qaeda and other foreign terrorist organizations to use Afghanistan's territory. After the release of prisoners by both sides, direct peace negotiations between the Afghan government and the Taliban began on September 12. However, the Taliban continued an intense military offensive, aggravating the security situation within Afghanistan. The Taliban also made no concessions regarding a ceasefire, and the talks made no substantive progress.

In such uncertain circumstances, the question is whether the weak Afghan government, which is losing the backing of the United States, will be able to negotiate on equal terms with the Taliban in the future.

(G) Islamic extremism: An overall decline with lingering threats

Continuing the trends of 2019, the influence and operational capabilities of various Islamic extremist factions are on the wane. Both the Islamic State and Al-Qaeda are releasing fewer statements claiming responsibility for the attacks, and the statements they do send out are simpler. As for the Islamic State, most of its military operations are small operations using improvised explosive devices (IEDs), and the number of martyrdom operations (suicide

bombings), which were frequent during the group's heyday in 2015–2016, has drastically decreased.

Amid this decrease in influence and military operations, the large number of military operations in sub-Saharan African countries and Afghanistan stands out. In these countries, where the capacity of the state to govern is extremely weak, there have been many cases of Islamic extremist groups achieving significant results by attacking security authorities and prisons. The Islamic State and Al-Qaeda have also made a point of publicizing their successes in these countries, using them as evidence to demonstrate their military capabilities.

Despite a noticeable decline in the influence of these groups, the rehashing of prophet caricatures in France and President Macron's comments about the "freedom to blaspheme" have angered the Muslim world and led to killings by extremist supporters in France and Austria. This suggests that even if the physical military capabilities of extremists have stagnated, there is still a lingering possibility of crimes based on extremist ideology as long as extremist ideas remain on the Internet and have supporters.

(H) Iraq: No prospect of improvement in the domestic security situation despite the inauguration of a new government

Amid the spread of antigovernment protests from October 2019 on, the United States stated on January 2 that it had killed the following two people with bombings in Baghdad: Soleimani, the commander of Iran's IRGC Quds Force, and Abu Mahdi al-Muhandis, the leader of the Shia paramilitary force Kata'ib Hezbollah. As a result, Iraq served as the stage for mounting tensions between Iran and the United States. Anti-government protests became so intense that many people were killed or injured, and the security situation in the country continued to deteriorate in terms of problems both inside and outside of the border. Mustafa al-Kadhimi took office as the Prime Minister of Iraq in May, filling a position that had been empty for about six months. Since then, the Iraqi government has continued to engage in high-level exchanges to strengthen formally its relations with both Iran and the United States. As a result, the United States declared in August that it would completely withdraw its troops from Iraq by the end of 2020 and, if this is achieved, it is expected to ease the tension between Iran and the United States to a certain extent. However, since that August, Turkey's military operations in the northern parts of Kurdistan have become more active. In this regard, although attempts have been made to improve the relation between Iraq and Turkey—such as Prime Minister Kadhimi's December visit to Turkey—the northern region of Iraq remains a source of instability. In addition, since October, major protests commemorating the first anniversary of the anti-government protests have once again broken out in various Iraqi cities,

and as security within Iraq deteriorates due to both internal and external causes, there is no prospect of improvement. Furthermore, although the increase in the number of COVID-19 cases and deaths has remained high since the second half of the year, the government does not have resources to devote to addressing this crisis.

(I) Yemen: Although the structure of the Civil War is changing, the spread of COVID-19 is severe

Since 2017, the civil war in Yemen has been a three-way struggle between the Saudi-backed interim government, the Southern Transitional Council (STC), which is reportedly backed by the United Arab Emirates, and the armed group Ansar Allah, commonly known as the Houthis. In 2019, with mediation from Saudi Arabia, the interim government and the STC signed the Riyadh Agreement, which aimed to establish a ceasefire and joint governance. In 2020, the two forces held discussions based on this agreement. Following this, it was announced in December that preparations had been made to establish a unified government between the interim government and the STC, and 24 ministers took the oath of office in Saudi Arabia. However, the establishment of a unified government has also become a new flashpoint in the war in Yemen. For example, a massive bombing took place on the grounds of Aden International Airport, just after the ministers arrived in southern Yemen on the 30th. On top of this, after the announcements in August and September that the United Arab Emirates and Bahrain have agreed to normalize diplomatic relations with Israel, there were scattered protests primarily involving students in the Ansar Allah-controlled Al Hudaydah Governorate. Ansar Allah must maintain its hostile stance toward neighboring Arab countries in order to hold onto the area it controls, and the group is in a situation that forces it to keep fighting against the unified government and Saudi Arabia. In terms of COVID-19, despite a low number of infections and deaths, there are concerns about the explosive spread of infections due to weak medical and sanitation infrastructure, and the death rate for infected people is reported to be extremely high at about 29% as of November 6.

(J) Libya: A ceasefire agreement and full resumption of oil exports

As the civil war rages on between the Tripoli-based Government of National Accord (GNA) and the Libyan National Army (LNA) led by Khalifa Haftar, the LNA has been blockading oil facilities in the east since January of last year in a bid to increase pressure on the GNA, resulting in the suspension of oil exports from the oil crescent. The economy is in a state of exhaustion due to the long civil war, and the financial situation has deteriorated significantly due to the loss of oil revenues, an important source of foreign currency. There

have also been frequent protests in various parts of the country to voice socioeconomic dissatisfaction. In response, the GNA, which had gained the upper hand in the war, took action to resume crude oil exports and establish a ceasefire, reaching agreements with Haftar's forces in September and October. Crude oil exports have fully resumed and oil production is on the rise. However, there has been no progress on the issue of who controls oil revenues, which has been a major point of contention. Depending on what the GNA does, Haftar is expected to once again take steps to obstruct exports.

(K) Algeria: A national referendum on constitutional changes has been approved

A national referendum on whether to change the Constitution was held on November 1. This constitutional amendment was a campaign pledge made during the presidential election last December, and a committee of experts established in January of last year prepared a draft amendment based on discussions with political parties and citizen groups. Noteworthy amendments include banning the election of parliament members to a third term and allowing the deployment of the military overseas. However, almost no amendments changed the division of power or reduced presidential power; the Tebboune administration merely staged political reform. Many citizens were also left cold by the amendments, and voter turnout was at an all-time low of approximately 23%. Anti-government forces, including opposition parties and citizen groups, have challenged the legitimacy of the Tebboune administration, and there are ongoing protests in the Kabylia region, leaving little expectation that the political upheaval will be resolved.

(End)