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Middle East Analysis Report

In 2021, the Middle East had experienced various political upheavals and clashes, significantly impacting the region and beyond. The Middle East Institute of Japan has compiled the following overview to provide a general picture of the Middle Eastern region in 2021.

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A Retrospective of the Middle East Situation in 2021

Middle East Institute of Japan

1. Overview

In 2020, the world was at the mercy of COVID-19. However, in 2021, vaccination was used to control the spread of the virus and resume economic activities. The governments of Middle Eastern countries have led the promotion of vaccination, and countries such as Israel had most of their population vaccinated against COVID-19. Countries with limited national financial resources or large populations received vaccine doses under the COVAX framework or by importing inexpensive vaccines from China and Russia. In the summer of 2021, Middle Eastern countries began to ease restrictions on economic activities and the entry or exit to their jurisdiction on the premise of vaccination. However, the spread of new variants may again result in the tightening of the restrictions on economic activities and travel. Therefore, vaccines should be supplied to all countries worldwide as soon as possible and in equal terms to ensure that global economic activities will continue despite the threat of COVID-19.

Aside from the pandemic, another major change in the Middle East was the Taliban's control of Afghanistan and its establishment of an "interim

government.” As the Biden administration followed the Doha agreement, the withdrawal of US troops became the default course of action. Subsequently, Taliban stepped up its military offensive in various parts of Afghanistan, seizing control of Kabul in August. Its previous government had collapsed when then-President Ghani fled the country. Currently, the international community faces the challenge of how to deal with the Taliban “regime.” Many countries are hesitant to recognize it as a legitimate diplomatic partner because it has seized power through illegal means of force and aims to govern in a way that could result in human rights abuses. Simultaneously, however, we cannot stand by and watch the humanitarian crisis as a result of the outflow of refugees, paralysis of administrative functions, threat of depletion of the national treasury, soaring prices, and arrival of a severe winter. Foreign countries are holding informal talks with senior Taliban officials to explore ways to avert a humanitarian crisis in Afghanistan.

There are fears that the resurgence of Taliban will transform Afghanistan into a seedbed of Islamic extremism. This is because the Taliban is an Islamic extremist group that seeks to rule in accordance with Islamic law (Sharia) and has had a close relationship with al-Qaeda (AQ). However, as it wants to be recognized by other countries as a member of the international community, it may change its relationship with Islamic extremist groups. Meanwhile, the Islamic State Khorasan Province (ISKP), which is in conflict with the Taliban, will likely continue to attack it. Nevertheless, being overwhelmingly disadvantaged in terms of military power, it is unlikely to surpass the Taliban.

A third important change is the clear decline in commitment to the Middle East by the US. Unlike the Trump administration, the Biden administration, which came into power in January, has clarified that it will not tolerate human rights abuses or undemocratic governance. Although this was expected to lead to friction between the US and Middle Eastern countries, the country’s relationship with Egypt, Saudi Arabia, and Turkey did not deteriorate. This is because US diplomacy has shifted completely to Asia, especially China. Likewise, no new normalization agreement between Israel and Arab countries had been announced, although the Biden administration said it would support any progress in normalizing relations (the Abraham Accords). As for Israeli-Palestinian relations, it was expected that peace negotiations based on the two-state solution would resume under the Biden administration. However, there

was no initiative from the US to resume. Talks with Iran to return to the Joint Comprehensive Plan of Action (JCPOA) began in April but were suspended due to the presidential election in Iran. They resumed at the end of November.

Nevertheless, Iraq and Syria will become the focus of attention going forward in light of the declining commitment of the US to the Middle East. In July, the Biden administration had announced a complete withdrawal of US troops by the end of December from Iraq. Although most Iraqis supported US troops' withdrawal, it cannot be denied that it may lead to an increase in attacks by Islamic State (IS) fighters in Iraq. As for Syria, the United Arab Emirates (UAE), Jordan, Egypt, and other countries have begun to explore normalization with the Assad regime because the balance of power following the civil war has been determined to favor government forces. This is also likely because they want to promote the reconstruction and stability of Syria and the entire region by promoting political, economic, and security cooperation with the Assad regime. However, the Biden administration is not willing to support such normalization or lifting its sanctions unless there is a political solution to the Syrian civil war. It will be interesting to see whether the attempts by Arab countries to stabilize Syria will make progress in the absence of US initiatives to find a political solution to the Syrian civil war.

A fourth major change is a trend of easing intra-regional conflicts and promoting cooperation. First, notably, two major regional rivalries—Iran vs the Gulf Arab States and pro-Muslim Brotherhood camp (Qatar, Turkey) vs anti-Muslim Brotherhood camp (Saudi Arabia, Egypt, UAE, Bahrain)—have been improved. These confrontations adversely affected the trade and investment in the countries involved and increased military tensions in the Persian Gulf and Libya. As such, the improved relations were actually welcome change in all countries. Moreover, Iran and Saudi Arabia have begun their direct ministerial-level talks on dealing with the war in Yemen. When Saudi Arabia, UAE, Bahrain, and Egypt restored diplomatic relations with Qatar under the al-Ula agreement in January, they have also resumed ministerial-level talks and economic cooperation. Turkey and Egypt—bitterly divided over the Muslim Brotherhood, conflict in Libya, and gas development in the Eastern Mediterranean—have held deputy foreign minister-level talks to improve their relations. Meanwhile, Israel, UAE, Bahrain, and Morocco are promoting political and economic cooperation based on 2020 agreements to normalize their relations. However,

tensions between Iran and Israel persist. Depending on the outcomes of the negotiations between the US and Iran on their nuclear agreement, Israel may take military action against Iran.

Finally, there is Japan's response to the situation in the Middle East. In August, then-Foreign Minister Motegi visited Egypt, Palestine, Israel, Jordan, Turkey, Iran, and Qatar. It was an important opportunity to explain to the Middle Eastern countries' leaders Japan's position on their conflicts and its goal of promoting a free international order. During the visit—after the attack on Gaza—Motegi told Israel, Palestine, and Arab countries that Japan still supports peace in the Middle East based on the two-state solution. Additionally, the fact that the Middle East leaders understood Japan's vision of an international order based on the rule of law—“a free and open Indo-Pacific.” This was a significant achievement given the current deepening of political and economic relations between Middle Eastern countries and China. Maintaining safe and open shipping lanes in the Indo-Pacific to the Persian Gulf, Red Sea, and Suez Canal is crucial to Japan's international trade policy. Japan hopes to continue to explain the principles and economic benefits of its diplomacy to Middle Eastern countries. As for the Taliban “regime” in Afghanistan, we need to accept that it effectively controls the entire country, although it adheres to ideologies incompatible with human rights principles shared by the international community. This is not the same as recognizing the Taliban “regime.” For the international community to deal with the country's worsening economy and serious humanitarian crisis, it is necessary to explore ways to provide humanitarian aid while encouraging Taliban leaders to adhere to universal values such as respect for basic human rights.

2. Noteworthy Changes

(1) Afghanistan: The end of the longest war in US history and the Taliban's return to power

The overall picture of the current situation was that the Taliban could gain the upper hand after the Doha agreement was signed. Meanwhile, the Afghan government, which lost the backing of the US, was forced into a disadvantageous situation. US President Joseph Biden, who took office on January 20, extended the original deadline of US troops' withdrawal from May 1 to September 11 (later

changed to the end of August). In response, the Taliban launched an onslaught in rural areas in May, and by August 15, they had seized control over the capital city of Kabul. When Kabul was surrounded, President Ghani fled the country, and the Afghan government effectively collapsed. The US troops' withdrawal was completed at midnight of August 30, bringing to an end the longest war in US history. For western countries, as well as Japan, that have supported democratic state-building in Afghanistan, 2021 will go down in history as the year when their efforts had failed.

The original purpose of the US military intervention was to clean up AQ, which was responsible for the 9/11 attacks. Therefore, the focus will be on whether Afghanistan will once again become a seedbed of terrorism in the future. It will also be important to see whether the restored Taliban can govern with people's support while cooperating with other countries, as it will be crucial for the stability of both the country and the region.

(2) Iran: Conservative hardliners rise with the change of regime to President Raisi

Severe military and economic pressure from the former Trump administration led to the rise of conservative hardliners in Iran. In the presidential election held in June, conservative hardliner Raisi (then Chief Justice) was elected. However, conservative moderate President Rouhani, who had already served two terms for a total of eight years, was not allowed to be elected for a third term. Another conservative hardliner was also nominated for the vacant position of Chief Justice, leading to all three heads of power being occupied by conservative hardliners. Supreme Leader Khamenei has adopted a two-pronged strategy of expressing his desire to return to the JCPOA, which the US had left, while simultaneously pursuing the nullification of sanctions. As part of this effort, the Iran-China 25-Year Comprehensive Cooperation Agreement was signed on March 27. At its September 17 Summit of the Shanghai Cooperation Organization (SCO), it formally approved Iran's membership, and the proximity between the two countries became clear.

Against this backdrop, the progress of the US-Iran indirect talks, which began in Vienna on April 6, will be closely watched. On April 13, Iran declared an increase in uranium enrichment to 60% and continued to take such countermeasures against the US violation of the JCPOA. However, contrary to

the Iranian explanation, other JCPOA participant countries have continued to accuse Iran of violating it. With the “accident” at the Natanz Nuclear Facility on April 11 and the friction over the suspension of International Atomic Energy Agency inspections, the major issue is whether the US will return to the JCPOA or Iran will fully comply with it.

(3) Gulf Cooperation Council (GCC): Confirmation of the strengthening of solidarity through the al-Ula agreement

On January 5, after the GCC summit in Saudi Arabia (also attended by Egyptian Foreign Minister Shukry and US Senior Advisor to President Kushner), a decision was made to restore Saudi Arabia, UAE, Bahrain, and Egypt’s diplomatic relations with Qatar, which were cut in 2017. It is often pointed out that this was realized as part of former US President Trump’s legacy-building efforts. However, in the first place, it was undesirable for these Gulf countries at that time to continue their restrictions on human trafficking and logistics. Additionally, considering the peace negotiations in Afghanistan that were already underway between the US and Qatar at the time, the “Qatar blockade” was not a positive factor in Saudi Arabia, UAE, Bahrain, and Egypt’s relationship with the US. After the restoration of such diplomatic relations, the countries have begun active exchanges, using this to overcome the economic stagnation caused by the COVID-19 pandemic. As for the ongoing turmoil in the surrounding regions, such as Iran’s nuclear talks, the Afghan regime’s collapse, Sudan’s military coup, and the Ethiopian civil war, the removal of the logic that hindered solidarity among the GCC countries is a positive sign, even considering its wider impact.

(4) Turkey: Domestic and international political changes and the continued fall of the Turkish lira

As for domestic politics, the battle between the ruling and opposition parties intensified in anticipation of the presidential and parliamentary elections, which were scheduled to be held in 2023, the centenary of the country’s founding. In February, President Erdoğan asked all political parties, except the Peoples’ Democratic Party (which was pro-Kurdish), to submit a draft new constitution. A major point of contention in the draft is whether the term “secularism”—the country’s national motto since its founding—will be included. Further, many

problems have surfaced since the country adopted the presidential system. The executive presidential system introduced in 2018 grants strong executive power to the president and tends to reflect Erdoğan's personal policy wishes. A notable example of this can be seen in the economy as the central bank lowered the official interest rate for three consecutive months starting in September 2021. This is likely due to the strong intentions of President Erdoğan, who has disapproved of his interests. Since the interest rate was lowered, the lira has hit new lows every day and fallen by approximately 45% (as of November 23, 2021), which is an extraordinary situation. On December 20, President Erdoğan announced a policy to compensate for exchange losses to stop the depreciation of the lira. Consequently, the lira surged, but he did not say exactly how he would conduct such compensation. Hence, future developments will be closely watched. Under these circumstances, the main opposition parties—the Republican People's Party and the Good Party—are advocating for a return to a parliamentary system, arguing that politics is dysfunctional under the current one. Opposition parties are calling for the election to be held ahead of schedule. If the economy, which is presently in serious trouble, does not turn around, there is a possibility of a change of administration.

As for diplomacy, there have been efforts to improve relations with neighboring countries, which marks a change from the hard-line stance it had taken until 2020. In April, United Nations (UN)-led informal talks were held with Greece—with which Turkey has been disputing over the development of gas fields in the Eastern Mediterranean—to resolve the Cyprus problem. Unofficial talks at the deputy foreign minister-level were also held twice, in May and September, to improve relations with Egypt, which had been severed for approximately seven years. Regarding relations with the US, Turkey has shown a willingness to compromise, partly because the new Biden administration expresses commitment to international cooperation. In particular, as a solution to the issue of delivery of F-35 fighter jets, Turkey requested to purchase F-16 fighter jets from the US. Although the Biden administration has shown a positive attitude, the US Congress' opposition to the Erdoğan administration is strong, and it will be interesting to see whether a conclusion can be reached regarding this matter.

(5) Syria: Moves to normalize relations with Arab countries

The Syrian civil war has been in a stalemate with government dominance since 2018. Aside from the northern part of the country—effectively controlled by the Tahrir al-Sham (whose members are Islamic extremists), the Turkish military, Kurdish forces, and al-Tanf on the Iraqi border, where US troops are stationed—the Assad regime has regained control of most of the country. Fighting has also almost ended, except in the north. Nevertheless, there has been no progress in constitutional reform and forming a new government through free elections. President Bashar al-Assad was re-elected in May. However, western countries have denied the legitimacy of the presidential election, claiming that it was held without the UN Security Council Resolution 2254, which provides for a political solution.

Nonetheless, the surrounding Arab countries, focusing on the reality of the Assad regime's return to power, have begun to improve their relations with the regime to stabilize the situation in the region. Jordan, the UAE, and Egypt have supported Syria's return to the Arab League and began ministerial-level talks with it. Additionally, it seems that Egypt-led negotiations are underway for Syria's return to the Arab League Summit in March 2022. The future of the relationship between the West, which does not recognize the legitimacy of the Assad regime, and Arab countries, which want Syria to return to the Arab world, will be closely watched.

(6) Iraq: Domestic and international issues following the first year of Kadhimi's administration

Now in its second year, Prime Minister Kadhimi's administration has continued its all-round diplomatic stance toward reconstruction and began to play a key role in regional stability, including serving as a mediator in talks between Iran and Saudi Arabia. Although there is a conflict of interest with Turkey over water allocation in the Tigris River basin, relations are reportedly better than they were in late 2020, when military confrontations continued in the north. However, there was some noticeable domestic instability. The power shortage in the summer and the subsequent water shortage have exposed the weakness of the infrastructure environment. Moreover, Shiite militia forces demanding the early withdrawal of US troops from the country also became active. Additionally, the "economic war" (i.e., destruction of power transmission towers) by IS added to

the power shortage. In the parliamentary elections held in October, the Sadrists, who are considered to have anti-US credential, gained more seats in the parliament. They will have the casting vote to nominate the next leader and form the cabinet. There is considerable interest from neighboring countries to see the kind of lineup the new government will have after its inauguration in 2022.

(7) Israel: Birth of the Bennett administration

After the general elections in March (the fourth in two years), an eight-party coalition cabinet with Naftali Bennett as prime minister was formed in June, bringing to an end 12 years of Netanyahu's cabinet. This was the result of the right, left, and Arab parties joining forces in an anti-Netanyahu effort to address his privatization of political power and Republican bias in the country's US relations. However, disagreements within the coalition continue over the construction of settlements and policies concerning Palestine.

As for the Israel-Palestine relations, they had their first military clash in seven years. In May, Hamas and other Gaza militants engaged Israeli forces for 11 days as a result of a clash between Palestinians and far-right Jews over the eviction trial of Palestinian families living in the Sheikh Jarrah neighborhood of East Jerusalem. Peace negotiations are not expected to resume, partly due to the resurgence of military conflicts and the Biden administration's focus on its relations with China.

On the diplomatic front, the Bennett administration is adamantly opposed to the US's return to the JCPOA. To counter Iran's regional influence, Israel questioned Iranian military interests in Syria and attacked Iranian vessels near the Persian Gulf coast. However, progress has been made in opening embassies and economic cooperation agreements with Bahrain, the UAE, and Morocco, with which normalization agreements were signed in 2020.

(8) Tunisia: President Saied's power grab

On July 25, President Saied applied Article 80 of the Constitution (which pertains to special presidential power during emergencies) to seize executive power, dismiss the prime minister, suspend the parliament, and strip all members of parliament of their immunity. This was due to the growing social unrest, as protests against Mechichi's cabinet became increasingly active in

various parts of the country because of its worsening COVID-19 situation and deteriorating economy. Some demonstrators have become rioters. Subsequently, on August 23, President Saied extended the period of such measures indefinitely. On September 22, he decided to suspend some provisions of the 2014 Constitution, exercise his legislative power through presidential decrees, abolish a judicial body (a provisional commission to review the constitutionality of draft laws), and seize full power. He intended to start a dialogue with the people in January 2022 to strengthen his presidential authority. Tunisia is the only country that experienced the Arab Spring in 2011 to have successfully transitioned to democracy. However, it is now reverting to an authoritarian regime like Egypt.

(9) Lebanon: Politicization of the Beirut Port explosion investigation and ensuing economic crisis

In September, a cabinet headed by former Prime Minister Najib Miqati was formed for the first time, filling the political vacuum that had existed since the summer of 2020. Although the new cabinet pledged to fight corruption and engage in political and economic reforms, sectarian conflicts have continued, adding to the country's overall turmoil. In October, the Shiite Hezbollah and Amal movements called for the dismissal of a judge who is in charge of investigating the Beirut Port explosion because politicians belonging to their faction had been indicted in connection with the incident. They also exchanged gunfire in downtown Beirut with Lebanese Forces supporters who opposed said judge's removal. Furthermore, the confrontation between domestic Shiites and Gulf States, and between domestic Shiites and other forces, over a statement by the Minister of Information criticizing the Saudi intervention in the war in Yemen, has led to a diplomatic crisis and a coalition cabinet crisis.

These conflicts have prevented political and economic reforms from taking place. The Lebanese economy is in its worst condition in its history. The currency dropped to 25,000 Lebanese pounds to the dollar for a time (the official rate was 1,507 pounds), prices soared due to subsidy cuts, and fuel shortages caused blackouts throughout the country. It is estimated that the poverty rate has risen to 82%. If parliamentary elections are held in this state in the spring of 2022, the elections will merely become a place of political confrontation, and the economic collapse will be unstoppable.

(10) Yemen: Stalled war and implications of Saudi-Iranian talks

The war in Yemen is in a stalemate. This is because of the discord within the national unity government established under the Riyadh agreement (conflict of interest between the interim government and the Southern Transitional Council) and the advancement of the rival National Salvation Government (Ansar Allah, commonly called the Houthis) in the Marib and Shabwah provinces. Based on the Riyadh agreement, Saudi Arabia sought to shift its position in the war in Yemen from an aggressor to an arbitrator. However, the unity government has repeatedly broken apart, with no prospect that it will be able to eliminate the National Salvation Government militarily. Therefore, Saudi Arabia has proposed new peace negotiations between the unity government and the National Salvation Government, but the former is not particularly keen on this idea. While Saudi Arabia rushes to achieve results as an “arbitrator,” the unity government (especially the interim government) believes that peace negotiations will work against its own faction. Owing to the intentions of these various forces, the past year in Yemen has been a time of suffering and hardship for its civilian population (according to the UNHCR, as of October 2021, approximately 66% of the population needs humanitarian assistance).

(11) Libya: Stationing of foreign troops and foreign mercenaries

In the Second Libyan Civil War, the country’s forces, which were divided into east and west, engaged in repeated battles since 2014 with the support of other countries. The political process toward resolution of the conflict has progressed in the last few years, with the ceasefire agreement of October 2020 bringing the fighting between them to a halt and the inauguration of the provisional government, the Government of National Unity (GNU), in March 2021. However, no solution has been reached on the problem of stationing of foreign troops and mercenaries, which could lead to renewed armed conflict. Turkey is unlikely to agree to the withdrawal of its troops any time soon as they have been stationed in the country based on a request for deployment from the previous UN-approved government, the Government of National Accord. As for Russia, it does not recognize the presence of Russian regular forces in Libya, claiming that Wagner—the company that sent the fighters to Libya—is a private military company with no chain of command with the Russian government. With the

confusion caused by the postponement of the presidential election that was scheduled for December 24 and the resolution of the stationing issue, Libya is unlikely to stabilize as both sides in the conflict are likely to oppose the stationing of foreign troops on each other's territory.

(12) Algeria: Breaking off relations with Morocco, rising military tensions

On August 24, Algeria announced that it was breaking off its relations with Morocco, citing its hostile acts. Relations between the two countries have continued to deteriorate since the previous year due to tensions in Western Sahara, allegations of surveillance of Algerian officials via the Israeli-made Pegasus spyware, and a reference by Morocco's permanent UN representative to the right of self-determination for Berbers living in Kabylia. Subsequently, Algeria suspended the Maghreb-Europe Gas Pipeline, which runs through a Moroccan territory, at the end of October to increase pressure on Morocco. It also banned Moroccan aircraft from flying over Algerian airspace. Amid the growing tensions between the two countries, on November 1, Algerian President Tebboune announced that an Algerian truck traveling in the Western Sahara region was bombed by Moroccan forces, killing three Algerian civilians. He has suggested retaliation, and there are fears of military conflict between the two countries.

(13) Egypt: Political, economic, and security stability

The al-Sisi administration has maintained political, economic, and security stability. Anti-government activities and terrorist attacks in the Sinai Peninsula have decreased, and the state of emergency was lifted for the entire country in October. Although the COVID-19 pandemic lowered the country's economic growth rate to 3.3% in 2021, positive economic growth has been maintained.

Meanwhile, there was active regional diplomacy on the diplomatic front. In the Israeli-Gaza military conflict in May, the two sides reached a ceasefire agreement through Egypt's mediation. Regarding the Grand Ethiopian Renaissance Dam (GERD), which is feared to reduce the volume of water in the Nile, the Egyptian government criticized Ethiopia for unilaterally starting to store water in the dam. Further, it went on a diplomatic tour to explain such an issue to other countries to gain international support for Egypt. Political and economic relations with Qatar were revived after the al-Ula agreement in

January. In November, President al-Sisi and Sheikh Tamim bin Hamad Al Thani had a conversation at COP26. Deputy foreign minister-level talks were held with Turkey in May and September, and measures to improve relations have been discussed. Egypt has a particular problem with the Turkish military presence in Libya. Once this is resolved, there will likely be real signs of relational improvements.

(End)