



# The Future of Regional Security in the Middle East

– Four Scenarios

Erika Holmquist and John Rydqvist

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Cover photo: Tehran, December 10, 1997 - Saudi delegates wait for their leader Crown Prince Abdullah ibn Abd al-Aziz as-Saud of Saudi Arabia in front of a painting featuring late Iranian leader and founder of the Islamic revolution Ayatollah Khomeini, during a lunch break on the second day of the 8th Islamic Conference Summit in Tehran's new conference building on December 10. Prince Abdullah had a meeting with Syrian President Hafez Asad. /Photo by Yannis Behrakis, REUTERS/IVV

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## Foreword

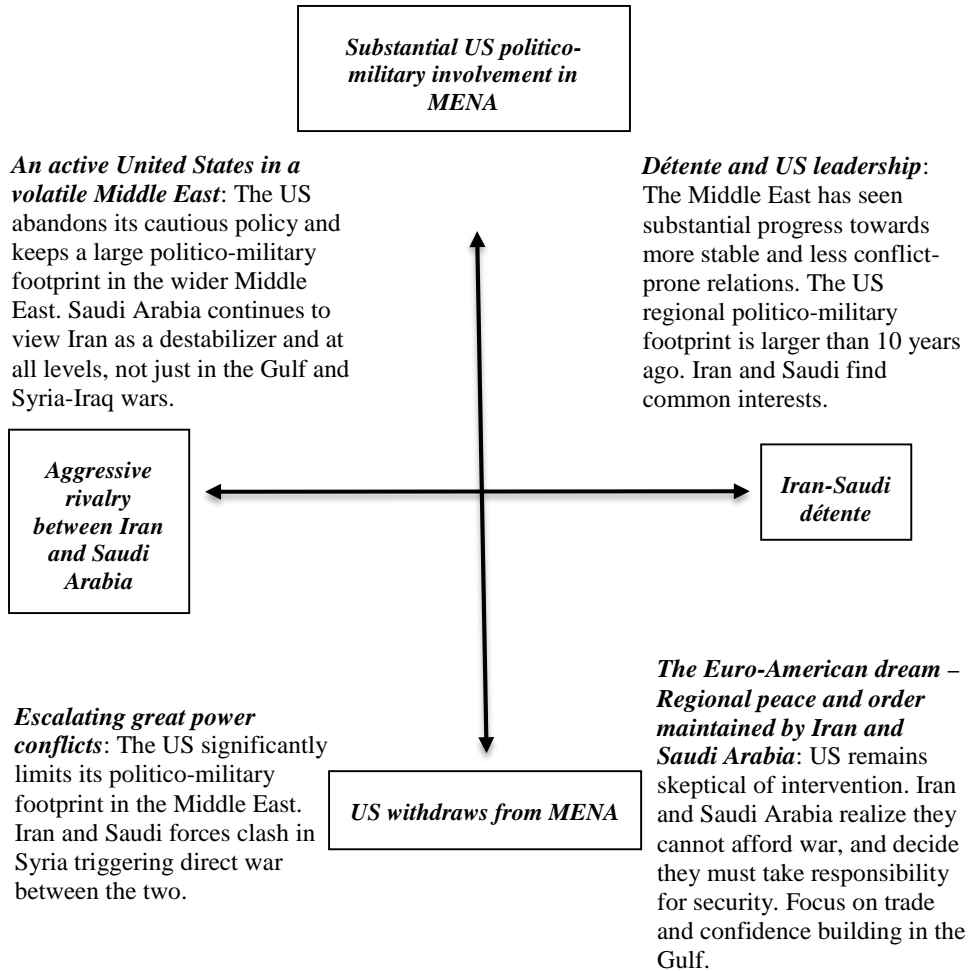
This report is the second and last publication of the MENA 2025 project undertaken within the Asia and Middle East Security Studies programme at FOI-the Swedish Defence Research Agency. The first report of the project was an edited volume, “The Future of Regional Security in the Middle East: Expert Perspectives on Coming Developments”, published in April 2016. The MENA 2025 project was commissioned by the Swedish Ministry of Defence, and attempts to test different ways of analyzing the future of regional security in the Middle East. We are especially grateful to Samuel Bergenwall who was instrumental in discussing the scenarios, and as a reviewer of the text. Finally we would also like to thank everyone who took part in the MENA 2025 project, notably our colleagues within the Asia and Middle East Security Studies programme, and the international experts who took part in the two MENA to 2025-conferences on which the project relied for insightful discussions and analysis.

## **Executive summary**

The aim of this report is to explore possible future security developments in the Middle East in the medium (10-year) term. Given the upheavals we see today, what sort of future could the region be facing?

The work is built on the hypothesis that predicting future security developments in the Middle East is not possible. As a consequence, the report tries to answer the main question by using explorative scenario-building methodology. Instead of offering predictions, the report presents four possible scenarios for Middle East futures in the medium (10-year) perspective that policy makers might find helpful to contemplate, explore further and prepare for. These four alternative futures are summarized below.

## MENA in the mid-2020's: four scenarios



## **Scenario 1: An active United States in a volatile Middle East**

By the mid-2020s, the US has departed from the cautious approach to involvement pursued by the Obama administration and is maintaining a large politico-military footprint in the wider Middle East. Containing and managing the ongoing wars in Syria and Iraq, Yemen, and Lebanon, which erupted in the late 2010s, has preoccupied the three administrations following Obama. However, the strained Iran-Saudi relationship has made it difficult to find a lasting international compromise concerning the Assad regime's fate, despite strong attempts by the US to broker a peace. While the US and its partners have not been able to bring peace to the region, wider inter-state wars have been avoided.

Contention and rivalry between Iran and Saudi Arabia persists. Saudi Arabia continues to view Iran as a destabilizer and contender for regional influence at all levels. Despite the good track record of Iran in implementing the JCPOA (Joint Comprehensive Plan of Action), Saudi Arabia remains distrustful of Iranian intentions and accuses Tehran of having secretly resumed a nuclear weapons program. Daesh and the Nusra Front have been eliminated as they were known in 2015, but the Syrian war continues unabated, even escalating as it further transforms into a battlefield where regional great powers wage proxy wars. Sectarian violence fueled by these same rivalries has driven actors in Lebanon to start fighting one another.

While the weak states of the region have continued the descent into chaos, the great powers, Saudi Arabia, Iran, Egypt, and Turkey, remain strong and stable. The gradual recovery of the oil price in the early 2020s, which enables economic stability, is one important reason. Iraq remains a divided country, but the successes against Daesh and retaking of most of the western provinces have stabilized the situation from a security point of view.

This scenario diverges from the situation in 2016 in that the US has become more involved and engaged in trying to stabilize the region, including by military means. With the continuation of civil and proxy wars in the region and the US focus on counter-terrorism at home and abroad, there is a distinct chance that the US and its allies and partners, especially Europe, will see themselves forced to deploy larger military assets to try to stabilize the war-riven countries and protect populations from genocide and persecution. This could leave the West in a difficult situation, with mounting military and political costs, increasing difficulties in cooperating within the United Nations (UN) and the potential of direct conflict with other major powers in the war zone such as Russia, Saudi Arabia, and Iran.



## Scenario 2: Escalating great power conflict

By the mid-2020s, the US has significantly limited its military footprint in the Middle East. Several developments combined have caused this. The US is no longer dependent on the Middle East for energy. Due to improved extraction technology and vast reserves of unconventional gas, the US has become self-sufficient in regards to energy. The Iran nuclear deal has so far been observed and the US has been able to slowly improve its relations with Tehran. No cataclysmic or widely unexpected event has transpired that has forced Washington to return actively to the region. China is acting in an increasingly assertive way in the East and South China Seas and the US is focusing more strongly on that part of the world. Continued challenges to the European security architecture by Russia also mean that more US military assets are tied up in Europe. This leaves a vacuum in the Middle East, which Russia and to a smaller extent China are eagerly attempting to fill. As a result, the Middle East is becoming increasingly divided into spheres of interest.

The international community's inability to find a way forward to solving the wars of the Middle East has been exacerbated by continued rising tension between Iran and Saudi Arabia. By 2020 the wars in Syria, Iraq and Yemen have not been solved. The international community remains in deadlock and unable to agree on a joint approach that leads to the termination of hostilities.

Both Iran and Saudi Arabia have deployed ground troops in Syria, but hitherto both countries had been very careful not to operate on fronts where the other has troops. However, in 2024 larger infantry formations from both Saudi Arabia and Iran clash in northern Syria. Casualties number in the hundreds, the Iranian forces being all but wiped out.

Simultaneously, the Iranian embassy in Damascus is bombed, killing several diplomats on site including several Iranian Revolutionary Guards Council (IRGC) commanders. Tehran blames Saudi Arabia for the bombing and the current conservative Iranian government seizes the opportunity to get its population to rally around the flag. Iran retaliates by using its submarines to attack several Saudi naval and merchant vessels. Saudi Arabia in turn reacts by bombing Iranian ports and oil facilities along the coast, which triggers wider direct hostilities between the two. An air and naval campaign in the Persian Gulf theatre ensues, drawing the rest of the Gulf Cooperation Council (GCC) countries and Iraq into the fray. Direct war between two of the most powerful states in the Middle East is now a reality.

This scenario would have severe repercussions for Europe if it came to pass. An Iran-Saudi war might be short, or it could become a prolonged conflict that would make the Persian Gulf difficult to use for years to come. The international community would be forced to try to do something, but with a US that has not engaged in the region for over a decade this would be difficult. Who would have

credible influence and show leadership? A consequence for Europe could be even more refugee flows than in 2015. Europe is likely to become the destination of choice for the mass exodus, regardless of what European laws allow. As a result of the spread of global jihadism, another consequence is the continued radicalization of European citizens, and an increased terror threat towards Europe.

### **Scenario 3: Détente and US leadership**

By the mid-2020s, the Middle East has seen substantial progress towards more stable and less conflict-prone relations. The US regional politico-military footprint is larger than 10 years ago. US leadership in shepherding the peace deals was a key to bringing the wars in Syria, Yemen, and Iraq to a conclusion. Although firmly committed to regional engagement, the US emphasizes promoting stability. Regime change is not pursued and nor is a policy of democratization of the Middle East.

In the aftermath of the many peace accords that ended the Syria, Iraq, and Yemen wars, Iran and Saudi Arabia have tailored more constructive relations. This has been a result of the long and arduous process of peace negotiations. A more generally accepted formula for power sharing in formerly fractured and split societies has been agreed on. The Herculean task of selling the peace formula to the warring parties has ultimately been facilitated by the regional powers' realization that jihadism and terrorism were becoming uncontrollable and would constitute a direct threat to country and regime stability.

In Iraq, the victory over Daesh and a string of successfully held elections have achieved a positive political balance. The conflicting issues over territory and natural resources with the Kurdish Regional Government (KRG) are finally settled. Sluggish regional economic development has underlined the need for more cooperative inter-regional economic interaction. Continued suppressed oil prices are pushing Saudi Arabia to accelerate its economic diversification reform, spending huge amounts on high-tech education and structures for innovation incubation. Iran's economy under the more liberal leadership has become more market oriented, with less state control. As the largest potential market in the Middle East, this is stimulating domestic economy and trade. The more equal military balance between Iran and the GCC countries in the Gulf, following a decade of intense Saudi military build-up, is adding to the perception of stability on all sides.

The US is also emphasizing promoting stability instead of regime change and is not pursuing a doctrine of democratizing the Middle East.

This scenario would have positive consequences not only for the region, but also for Europe. One such consequence is that the Europe-bound refugee flows would

be reduced. Another important consequence is that denying Daesh and other terrorist groups safe haven in the Middle East could alleviate the threat to Europe.

However, the lengthy process of finding solutions to the wars has caused the region's youth to become disillusioned with the international system and the idea of democratic change. Although perhaps a marginal concern considering the amount of human suffering caused by the conflicts, the EU has invested a lot of political capital in promoting democratic values beyond Europe's borders, and therefore solving the conflicts in the Middle East via capitulation to authoritarianism constitutes a halting victory.

#### **Scenario 4: The Euro-American dream: Regional peace and order maintained by Iran and Saudi Arabia**

By the mid-2020s, the US has limited its engagement in the Middle East and is pursuing a policy of offshore balancing. After having used all relevant tools, including a strong military presence, to help bring peace to Syria and Iraq in the late 2010s, Washington has withdrawn much of its military assets from the Middle East and is focusing on supporting the reconstruction of the war-ravaged countries. As for regional security, the US is relying on building relations with regional states on a bi-lateral and case-by-case basis. The regional powers are left to take much more responsibility for ensuring stability and security. Trade and the economy is the most important interest for the US. Security is a priority, but consecutive US administrations have viewed non-military engagement in the region as more important than solving the wars in Syria and Iraq. Less visible engagement, the US doctrine claims, also means less terrorist focus and activity against American targets. The US in effect has abdicated from its long-held role as provider of security in the wider Middle East and especially in the Persian Gulf. This has had profound consequences for Iran-Saudi relations.

By the mid-2020s, Iran and Saudi Arabia are moving towards a less confrontational and more cooperative relationship. Unexpectedly, this turn of events seems to have come about partly as a result of the US withdrawal from the region. Iran and Saudi Arabia (along with its GCC partners) have for decades, if not centuries, become accustomed to non-regional state involvement in the Gulf as balancers and providers of security. Under the US dominance, the politics of confrontation was less dangerous. Without a strong US footprint, provocative politics and behavior are becoming increasingly dangerous.

With the US largely absent, both countries are being forced to revisit their strategies and formulate what their key interests are. In sum, both have decided that the security and stability of the Persian Gulf is an overarching ambition, especially in an era of economic strain. The concept of 'trade first' is not new.

Both Iran and the GCC have to some degree entertained good trade relations across the Gulf for many decades. Iran's approach is to re-engage in a policy of confidence building around the Gulf (a more active version of the 1990s policy of "dialogue of civilizations" pursued by presidents Rafsanjani and Khatami.)<sup>1</sup> A *Dubai model* is promoted, one which at its core sees trade, not Gulf dominance, territorial disputes, or resource conflict as the central tenet. In Saudi Arabia, public opinion has a slightly larger role as a result of limited reform. Public opinion, much like the royal administration, is naturally divided, but more people and decision makers are ready to give Iran the benefit of the doubt. Some key initiatives, such as removing operational military control of the Gulf from the IRGC navy and handing it to the regular navy, seem to underline the genuine willingness of Tehran to enhance confidence building.

The resolution of the wars in Syria and Iraq is a prerequisite for the rapprochement between Iran and Saudi, as is a region-led post war process of reconciliation that accommodates the ambitions of the many minorities and trans-national forces which have such a prominent role in the Middle East. It also requires religious and political restraint among all state parties, something which is difficult to imagine in 2016. For Europe, this scenario would be an excellent turn of events, mirroring the hopes and ideals the European Union (EU) was first built around. Economic cooperation, peace, and accommodation – a world far off in 2016.

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<sup>1</sup> Lawrence G Potter: "Persian Gulf security: Patterns and prospects", in Parsi & Rydqvist (eds.): *Iran and the West – Regional Interests and Global Controversies*, FOI (Stockholm, 2011), p. 31

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# **Part 1 Analyzing Middle East Futures**

## 1.1 Introduction

*“Wars break out, economies collapse. We should therefore credit good judgment to those who see the world as it is – or soon will be“*

Philip E. Tetlock, *Expert Political Judgment* 2005, p. 10

The security architecture of the Middle East has been in rapid transformation for more than a decade. A combination of non-armed conflicts, sudden uprisings, and wars has thrown parts of the region into disarray. Few, if any, of the misfortunes and problems that have negatively affected the region since 2001 were expected or followed projections informed by existing trends. Moreover, developments, broadly speaking, did not align with the preferred political outcomes of a wide array of power holders and political groupings in the region and beyond it.

Lack of foresight has on many accounts been complemented by poor handling and poor preparation for reacting to sudden crises. The generally positive take on the “Arab spring” in European countries and the US proved mostly wrong, to the surprise of many. Wishful thinking was allowed to influence politics for far too long. This ensured that diplomatic responses in 2011 and 2012 failed to have any de-escalating effect on the wars flaring up. At the time of writing, Sweden faces a difficult situation as a result of the refugees arriving from the Middle East and beyond. The possibility that the refugee movement into Europe might accelerate was suggested by experts already in 2010, yet the Swedish state was unprepared to manage the large inflow of refugees and slow to react to the changing circumstances.<sup>2</sup> Sweden was caught by surprise.<sup>3</sup> This had many reasons; political, economic, judicial, and moral. It is possible that more focus on exploring alternative scenario-based futures (about the state of the Middle East and how it might affect the flows of refugees) amongst key decision makers could have contributed to better systemic preparedness in Sweden and Europe.

The aim of this report is to explore possible future security developments in the Middle East in the medium (10-year) term. Given the upheavals we see today, what sort of future could the region be facing? Scenario generation is used here to explore several alternative but possible futures. The focus is thus not on predicting the future and no prognosis about the most probable future is made in this report. The point is to discuss what *could* happen. If generated in a transparent manner and presented in an easily accessible way, scenarios can constitute a basis for

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<sup>2</sup>Alexander Atarodi: Kris i Jemen: en lokal konflikt eller global säkerhetsrisk?, in *Strategisk utblick 2010: Säkerhetspolitisk nattorientering?*, FOI, (2010), p. 56.

<sup>3</sup>John Rydqvist: *Utvecklingen i Mellanöstern och kris i Sverige – det längre perspektivet*, FOI-briefing, December, (2015).



thinking about, deliberating over and preparing for a range of challenges that the decision maker might need to address in order to prepare for today.

This report discusses, in turn, the contemporary Middle East and its security challenges, future studies, the scenario generation method used, and briefly, the issues, or *themes* as they are called in this report, which might have the greatest influence on the future of the region and its security order.

The reader primarily interested in the four future scenarios presented here can skip straight to part two. Short background and methodology discussions are presented in part one, in order for the reader to understand and scrutinize how the scenarios were generated and if indeed they are of any relevance as tools in preparing for the eventualities of the future.

## 1.2 Middle East security challenges

Great uncertainties about the trajectories and future security dynamics of the Middle East continue to keep it in the political spotlight. By 2010, the war to reshape Iraq and combat terrorism that followed after the 2001 terrorist attacks on the US was beginning to wind down. Foreign forces were leaving and the hope was that Iraq would continue evolving into a stable, more democratic and responsible international actor. Meanwhile, international terrorist networks remained a threat both in a regional context and increasingly in the West. These groups were inspired by, linked to, or imbedded in insurgency movements in Iraq, Afghanistan, Yemen, Somalia, and other weak or failing states where war is ongoing.

At the same time, the international community, spearheaded by the US, had for years been in an intense conflict with Iran over its suspected nuclear weapons program, with little prospect of the conflict being resolved any time soon. The security architecture of the Middle East is being thoroughly reshaped by these events and, as a consequence, the regional balance of power. Greater uncertainty about the future and the risk of foreign and security policy volatility drove many regional powers to hedge by pursuing more active foreign and security policies. They did so well aware that “the regional balance of power and, also, the dynamics of the region” were being shaped by the “pre-emptive self-defence and preventive war strategies” of outside powers in a way not seen for decades.<sup>4</sup> By 2010 the risk of further escalation of the ongoing small wars in the region seemed to have

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<sup>4</sup>Anoushiravan Ehteshami: “The MENA Regional Security Architecture”, in *Middle East Security to the Mid-2020s – Expert Perspectives*, FOI, (2016), p. 21

increased. The US administration under Obama did not make the same risk assessment or see major military engagement in the Middle East as an option for the future. War weariness and doubt about the merits of military interventions dominated American politics, and Washington instead tried to pursue a “rebalancing” towards East Asia.

Few foresaw that the next round of security problems in the Middle East would be triggered not by inter-state war, but by popular uprisings against authoritarian regimes. When the revolutions flared up and spread across the region in late 2010 and early 2011, the regimes and their proponents were caught off guard. Few had any other responses than to use their internal security apparatus to defend the existing political order. Yet in an era of internationalization and digitalization of politics, intertwined with the wider and quicker spread of information and an urgent international hope for democratization, self-determination, and equal rights, the security responses to the uprisings seemed to work less well than before. International pressure to refrain from crackdowns and massacres, in combination with the ability of protest movements to rally large numbers of people, paved the way for the initial success. Dictators stepped down and elections were called in Tunisia and Egypt. However, in other countries the wielders of power and their allies in the security structures of the state had too much to lose and were to a little extent concerned with pressure from the international community. In these states, revolution soon turned into disorder and, as in Libya and Syria, grim civil war.

This turn from “Arab spring” to “Arab winter” was the next development politicians in the West failed to make political preparations for. Instead, for much of 2012 they hoped and claimed that the dictators would be forced to leave sooner rather than later. However, contrary to what many observers judged and believed, the uprisings did not lead to a region-wide democratic reshaping of the Middle East. Instead, wars now rage in Syria, Iraq, Libya, and Yemen. The outcomes of these conflicts are uncertain, but the region is already witnessing a range of societal, political, economic, and military consequences that will surely impact regional security over the long term. Several states are under threat of failing or falling apart into new political entities. The conflicts are also creating immense human suffering and refugee flows that will have far-reaching implications for the countries of origin and recipient countries alike.

One of the few positive developments in the region may be the negotiated settlement concerning Iran’s nuclear program. If implemented faithfully, it will hinder Iran from acquiring nuclear weapons. In return, UN-mandated international sanctions are being relaxed and, as a result, Iran’s relations with many countries will normalize. However, this is not likely to become a reality in Iran’s immediate neighborhood, where the rivalry between Saudi Arabia and Iran continues to shape and determine the regional security architecture. Considering that the ongoing wars and conflicts in Syria, Iraq, and Yemen, have become closely intertwined

with, and fuel, the Saudi-Iran power struggle, regional tensions risk further escalation. Meanwhile, peace in Syria seems far off, the struggle against Daesh is progressing very slowly and there is little sign that Iraq, under the weight of Daesh occupation, can start to address root causes of the country's internal tension. Oil-dependent rentier economies are scrambling to understand the consequences of, and adapt to, a situation where oil prices may remain suppressed for years.

In sum, the past 15 years have seen a deteriorating and increasingly volatile security order in the Middle East, triggered by a combination of foreign military interventions, civil wars, and state collapses. The remaining great powers of the region, Turkey, Iran, Saudi Arabia, Israel, and Egypt, have had to shift strategies to adjust to a more insecure situation where security architectures and political landscapes might suddenly rupture and transform into something very different. The 'cataclysmic' events that have triggered changes during the decade and a half since 2001 have been of a very different nature than before and policymakers have had difficulties predicting and preparing to meet these challenges.

### **1.3 The challenges of forecasting and discussing Middle East futures**

The latest rupture that politicians in the West and specifically Europe have had to tackle is the rapidly increasing flow of refugees coming from or through the Middle East. Much of the current migration flows are the result of the wars and chaos of the last five years, and at the expert level the risk of increasing migration into Europe has been a scenario discussed for years. The dynamics of 2015 nevertheless surprised politicians and governments. Strains on countries such as Germany and Sweden became so severe that wide-ranging systemic adaption and political crisis became a fact.<sup>5</sup> In a sense, one could argue that the crises and systemic shocks Europe experienced in 2015 were a civilian variant of strategic surprise.

Strategic surprises have historically been a recurring military and political phenomenon. In retrospect, strategic surprises such as the attack on Pearl Harbor, the OPEC use of the oil-price weapon in 1973-74, the fall of the Soviet Union, and the 9/11 attacks, to name but a few, have occupied the minds of many an analyst and commission of enquiry.

Intelligence failure, or the failure by bureaucrats to gather information on, understand, predict, and warn about an imminent attack or upcoming problematic

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<sup>5</sup>For a short discussion on this topic see John Rydqvist: *Utvecklingen i Mellanöstern och kris i Sverige – det längre perspektivet* [Middle East Developments and Crisis in Sweden – The Long-term Perspective], FOI, (December: 2015).

event, is often attributed a role in why strategic surprises occur. “The common view”, according to Richard Betts, “is that surprise occurs because intelligence fails to warn...”<sup>6</sup> For more complex chains of events, prediction and political preparedness are even more challenging to achieve. Availability of sufficient information of a specific kind (for example military build-up) or consistent trends that can be extrapolated into the future are necessary for any correct prediction. However, information or trend-based projection and prediction is, according to Nicolas Rescher, often flawed in the sense that trends rarely end up being linear. Trends are often interrupted or affected by unforeseen events that change the direction of the trajectory.<sup>7</sup> Finally, there is also the problem of unchallenged world views and beliefs. Failure to predict or understand a set of issues in the near term can lead to “much longer-running misjudgment.”<sup>8</sup>

Michael Herman also draws attention to challenges at the executive or political level, in his words “the point where intelligence [information, analysis or prediction] meets policy”.<sup>9</sup> “Leaders...reject warnings” sometimes because they do not believe in expert predictions, but more often because “policy makers are slow off the mark or deliberately delay; every intelligence warning [or prediction] has to force its way into the government’s attention.”<sup>10</sup> The working hypothesis in this report is that those decision makers and political systems that have the inclination and the bureaucratic ability to plan for the future using trend analysis, and at the same time prepare for the unexpected by creatively thinking about future scenarios, are often those best suited to deal with or even foresee coming crises and react to them.<sup>11</sup> Current dynamics in the Middle East illustrate the importance, the challenge, and the risks posed to regional actors and to the rest of the world from evolving dynamics in the region.

The above argument suggests that the challenges for the analyst and for this report are twofold: To characterize and discuss the future of the Middle East-North Africa (MENA) region in a meaningful way, even though correct predictions and trend extrapolation may not be possible; and to do this in a way that “forces its way into the government’s attention” and is of use to the decision maker.

Decision makers, on the other hand, are faced with a difficult set of priorities in policy planning. To what extent can world events be shaped to one’s preference? How much attention should be devoted to understanding trends and shifts within

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<sup>6</sup>Richard K. Betts: *Surprise Attack*, Brookings Institution Press, (1982), p. 16.

<sup>7</sup>Nicolas Rescher, *Predicting the Future – An Introduction to the Theory of Forecasting*, State University of New York Press, 1998 p.99.

<sup>8</sup>Michael Herman: *Intelligence Power in Peace and War*, Cambridge University Press, (1996), p. 222.

<sup>9</sup>Herman, p. 225.

<sup>10</sup>Herman, p. 225.

<sup>11</sup>A hypothesis influenced by Philip E. Tetlock: *Expert Political Judgement*, (2005).

a prevailing international system in order to maximize outcomes and reap benefits? How much time and resources should be devoted to preparing for unexpected ruptures that may yield negative effects which must be managed? The past 15 years in the Middle East have shown that the pace of change has shifted from the evolutionary to the revolutionary several times. In a European context, this has made it more difficult to make plans for the future based on analysis of prevailing trends. Key (or cataclysmic) events have kept surprising decision makers, exposing gaps in the preparation and response capabilities of European states. Because of the current volatility of both Middle East politics and the global economy, the future may well hold new surprises of a negative nature. The question is whether there are ways to be better prepared for coming ruptures and explore their possible challenging effects. The impetus of this report is the belief that it is possible to explore the future in a meaningful way without making firm predictions.

## 1.4 Key questions and method

Because it is assumed in this report that predicting future security developments of the Middle East is not possible, the key questions dealt with in the report are: What are relevant scenarios for Middle East futures in the medium (10-year) perspective that policy makers need to explore and prepare for? Which scenarios risk causing a surprise as a result of the speed at which they evolve, or because of the ruptures they would cause?

These key questions reflect a conscious choice; Middle East ruptures and surprises have affected Europe detrimentally to a large degree and look likely to continue to do so.

In this report, the Middle East is defined as Turkey, Iran, Israel, Iraq, Kuwait, Qatar, Bahrain, the United Arab Emirates (UAE), Oman, Yemen, Saudi Arabia, Jordan, Syria, and Lebanon. Security is defined as lack of intrastate and interstate armed conflicts. Moreover, security in the Middle East is analyzed from a regional perspective.<sup>12</sup> Due to the limited scope of this scenario report, the analysis focuses on a few factors we believe to be especially important.

The aim of the report is to create scenarios that illustrate how the security situation in the Middle East could develop during the next 10 years. Given the upheaval we see today, what sort of future is the region facing? The aim is not to discuss what

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<sup>12</sup>For a theoretical discussion on regional security see Adriana Lins de Albuquerque: "Analyzing political developments in the Middle East from a Regional Perspective, in Holmquist & Rydqvist (eds.): *The Future of Regional Security in the Middle East: Expert Perspectives on Coming Developments*, FOI, 2016. This report was also written as part of FOI's Middle East futures project.

*will* happen, but rather to describe what *could* happen. If generated in a transparent manner and presented in an easily accessible way, scenarios can constitute a basis for thinking about, deliberating over, and preparing for a range of challenges that might need to inform policy choices today. For the purpose of this report, scenarios are defined as a set of stories about possible futures of the Middle East that give a general idea of the state of regional security and international relations in 10 years' time.

In this scenario analysis, the focus is on themes that are believed to influence the security architecture of the region and at the same time prone to undergoing major changes. The challenge is to find themes that have wide-reaching effects at the regional level of analysis and then choose two from which to generate scenarios. One of the weaknesses of this approach is that it might not be possible to distinguish two themes that are decidedly more important than others. Invariably, any selection can for good reason be criticized and argued against. However, the ambition with this report is not to reach a verdict on the most likely future and spell out the details of what that future might look like, but rather to construct an interesting and useful set of future scenarios that are possible. The results can never be perfect. The important thing is for the reader to be able to follow how the choice of themes is made and how the scenarios are generated.

Many methods and manners of constructing scenarios are used by international institutes devoted to conducting future studies. As a point of reference, the appendix gives a short overview of a number of well-known future-focused reports, such as the US National Intelligence Council's *Global trends 2030: Alternative Worlds* and the UK Ministry of Defence's *Global Strategic Trends – Out to 2045*. These future reports served as inspiration for this project, but it is important to note that the time frames and budgets allocated for them widely exceeded that of the present analysis. For that same reason, in comparison with those future reports, a simplified methodology, which we believe serves our purpose well, is applied in the present analysis.

To determine the most important variables, a step-by-step approach has been used. At a first conference with Swedish Middle East experts in early 2015, a range of themes that might influence the development of Middle Eastern security were discussed. As a result of this conference, a set of key themes were identified. A second conference with renowned international scholars on the Middle East was organized, for which these scholars were asked to write chapters on each of the themes related to regional security. These themes, which were discussed at a conference in Stockholm in early June 2015, were: *Natural resources, Climate change, Water and Food Security; Political Economy; Energy, Politics, and Security; Political Contestation and State Responses in the Aftermath of the Arab Spring; Religion and Political Mobilization; Security and Conflicts in MENA; The Military Tool – Roles and Capabilities of National Armed Forces in MENA;*

*Armed Non-state Actors in MENA; The American Calculus. US Middle East Policy in the 2020s; and A New Era in the Middle East? A Historical Perspective.* Some of the chapters produced on these themes are available in the edited volume *The Future of Regional Security in the Middle East: Expert Perspectives on Coming Developments*, also produced as part of FOI's Middle East futures project.<sup>13</sup>

Finally, the two most important and relevant themes to use for scenario generation had to be chosen. In this report we deliberately choose to use the word 'themes', because issues such as energy, religion, or political contestation in themselves hold so vast and complex a set of sub-issues that they are not true variables. After all, varying the future development within any of the themes could in itself be done in an infinite number of ways.

For reasons of time and practical ability, each theme was allowed only two different variations. Given that two themes were used, this generated four different scenarios. Deciding on themes and how to use the final two as variables was carried out during deliberations amongst the authors and a few colleagues. It was informed by impressions from the international conference and by input from previous work conducted at FOI<sup>14</sup>

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<sup>13</sup>Holmquist & Rydqvist (eds.): *The Future of Regional Security in the Middle East: Expert Perspectives on Coming Developments*, FOI-R--4251--SE, April 2016.

<sup>14</sup>Examples include the report *The Middle East and North Africa in a Ten-year Perspective* by Samuel Bergenwall and Mikael Eriksson (in Swedish).

## **Part 2 Scenarios**



## 2.1 Introduction

This second part of the report describes the two most important themes from which scenarios are generated. It then presents the four scenarios on possible Middle East futures. The first is called *An active United States in a volatile Middle East*, the second *Escalating great power conflicts*, the third *Détente and US leadership* and the fourth *The Euro-American dream – Regional peace and order maintained by Iran and Saudi Arabia*.

## 2.2 The two most important themes from which to build scenarios

Many of the key themes included at the international conference had to be eliminated in order to leave the two most important that would be useful for scenario generation. Since unexpected developments have been a key issue and, as argued above, at some instances have contributed to strategic surprise for European leaders, those themes that might be more unpredictable, and change with little warning, were preferred.

On this note, it is essential to underline that although the number of scenario-generating themes had to be limited to two, this does not mean that the other themes lack influence. On the contrary, the rejected themes (and potentially many more that were dismissed at an early stage of the project) can have an influence on the future. The point is that varying the two most important themes was the only consistent way of arriving at a limited number of scenarios.

After having discussed and rejected a number of themes that were deemed influential, but not important enough in relation to the others, we were left with two main themes. These were: 1) The balance of power between Iran and Saudi Arabia, and 2) level of US involvement in the Middle East.

### **Influential but not determinative variables**

As explained earlier, we opted to focus the analysis on the regional level. Issues such as climate change, access to water and food, and natural resources will most likely be very influential in the long term, but they are less uncertain than the other themes and the chance that they will cause cataclysmic change over the next 10 years seems less likely.

Rather counterintuitively, we also concluded that economic development in the region will not be a key determinant in a 10-year perspective. This is not due to the fact that the economy is unimportant. Rather, it is because the economic structure of the Middle East will not change drastically for better or worse. Countries that depend on hydrocarbon exports will continue to rely on oil and gas

export for their economy in a 10-year perspective. Low oil prices may damage budgets and constrain state spending, but the countries concerned will be able to continue selling oil and gas and avoid going bankrupt. Most countries in the region will probably struggle with managing effective economic reform. Corruption will remain a problem and diversification of the economy and industry is not likely to be as effective as needed.

Other variables that we believe will have some, but not a determinative, impact on the Middle East is the rise of Daesh and the military alliance built to topple this proto-state.<sup>15</sup> Given the impact Daesh is currently having, this might seem counterintuitive too, but viewed from a long-term perspective the group will have limited impact primarily for two reasons. First, like al-Qaida before it, the alliance against Daesh commands overwhelming resources and power. Its determination to defeat the group might not succeed, but in a 10-year perspective Daesh is likely to be considerably weakened. Second, the threat it poses is not likely to permanently bring key regional powers closer to one another, as it is not an adversary that unites all enemies of the enemy, for example Iran and Saudi Arabia. Thus at most the Daesh problem will have a subordinate, but not a determinative, impact on future regional security.

Religion was also deemed an important variable, but in the end with less influence than others. The so-called 'sectarian divide' the region and its communities face is sometimes portrayed as primarily a religious conflict. The Shia-Sunni divide in particular is believed to play a key role in Middle East conflicts overall. However, we concluded that religion serves rather as a motivator and justifier for power struggles and contestations at different levels. As such, it is important but does not drive conflict. Rather, it can be used by various actors to fuel and prolong ongoing conflict or motivate new conflicts.

At an early point in the analysis, we discussed whether the policies of India and China might significantly affect the region in unexpected ways. While they are rising powers with mounting interests in the region, in the 10-year perspective there is no indication that either of these countries will have the kind of influence that would bring unexpected and surprising change.

The two themes finally chosen as the key scenario generators in our analysis are described below.

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<sup>15</sup>Also called ISIS or IS.

## Key theme 1: Rivalry between Saudi Arabia and Iran

Saudi Arabia and Iran are key powers in the Gulf and the wider Middle East. The rivalry between the two countries is significant and has had a massive impact on the security developments in the region during the last decade. There are historic and cultural reasons for this rivalry that go far back in time, and there are more recent political and economic developments that have fueled tensions further.<sup>16</sup> Iran has traditionally been the most powerful country in the Gulf, but following the Iranian revolution and Iran's subsequent isolation from the international community, Saudi Arabia has increasingly shouldered this role. Saudi Arabia became the main US ally in the Gulf, from which it profited economically. Against this background, the nuclear deal between Iran and the P5+1 is a great source of concern for Saudi Arabia. There is a fear that the acknowledgement of Iran as a functioning member of the international community will impact Saudi Arabia negatively.

Both regimes are involved in the political developments of the region in a zero-sum game to increase their own strategic influence. There are many manifestations of this. In Syria, Iran supports the Assad regime and Saudi Arabia the opposition; in Lebanon, Iran supports the Shia party/militia Hezbollah, (part of the pro-Syrian March 8 alliance) and Saudi Arabia supports the Sunni party the Future Movement, (part of the anti-Syrian March 14 alliance). There are many more examples where Iran and Saudi Arabia's interests and actions diverge (Iraq, Palestine, Yemen etc.). This strategic competition and contestation of the regional balance of power is causing both intra-state and inter-state insecurity, fueling the ongoing wars in the region and causing conflict to spread.

Regional security over the next 10 years will be affected by this Iran-Saudi rivalry, whether it continues to be expressed in the disruptive manner of today or the relationship changes, either through some kind of rapprochement or into direct conflict.

The key considerations for the future that concerned us in constructing a relevant set of scenarios were: a) whether the Iran-Saudi power struggle will continue; or b) whether tensions will subside to a considerable degree, enabling the two countries to find common ground for cooperation.

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<sup>16</sup>Lawrence G Potter: "Persian Gulf security: Patterns and prospects", in Parsi & Rydqvist (eds.): *Iran and the West – Regional Interests and Global Controversies*, FOI (Stockholm, 2011).

## Key theme 2: US involvement in the Middle East

A diverse palette of interests drives the US involvement in the Middle East. Interests in securing access to energy resources first drove wider US politics in the region. In the post WWII decades, support for Israel and bringing the Middle East into the US sphere of influence, thereby limiting Soviet expansion, were the main motivations. The result was a diverging set of alliances and strategic partnerships which made the US the regional hegemon. Since 9/11, terrorism has become a key concern for the US and has shaped its policies in the Middle East. As the world's only superpower, the level of involvement that the US chooses to have in the Middle East is of great importance to regional security. But the US's priorities may be shifting. During the Obama administration US engagement in the conflicts of the Middle East has gone from being governed by the slogan "boots on the ground" to "leading from behind". In comparison with his predecessor George W. Bush, Obama has favored a more indirect approach. As his time in office is coming to an end, a number of questions arise regarding what direction US policy in the Middle East will take. Will the future US administrations favor a more liberal interventionist policy, for example promoting regime change for the sake of democratic reform, or a policy of status quo? The US also has the option of being an offshore balancer, in other words intervening indirectly in regional affairs whilst keeping its military out of the region. Washington would rely "on regional powers like Iran, Iraq and Saudi Arabia to check each other."<sup>17</sup> If that occurs, which strategic partnerships will the continued US political and diplomatic engagement build on? The US-Saudi relationship is at an all-time low, and the US dependence on Middle East energy (and therefore Saudi Arabian oil) is decreasing. In the event that the US chooses to withdraw from the region, will other great powers like Russia, China, and India attempt to fill the void? The US is the current hegemon in the Middle East, and whether it retains this status or not will affect regional security during the next decade.

The key considerations for the future that concerned us in our attempt to construct relevant scenarios were: a) whether US political and military involvement will remain at a high level, making the US a key guarantor of a regional security order, or b) whether the US will remove itself to a considerable degree from engaging in Middle East security affairs.

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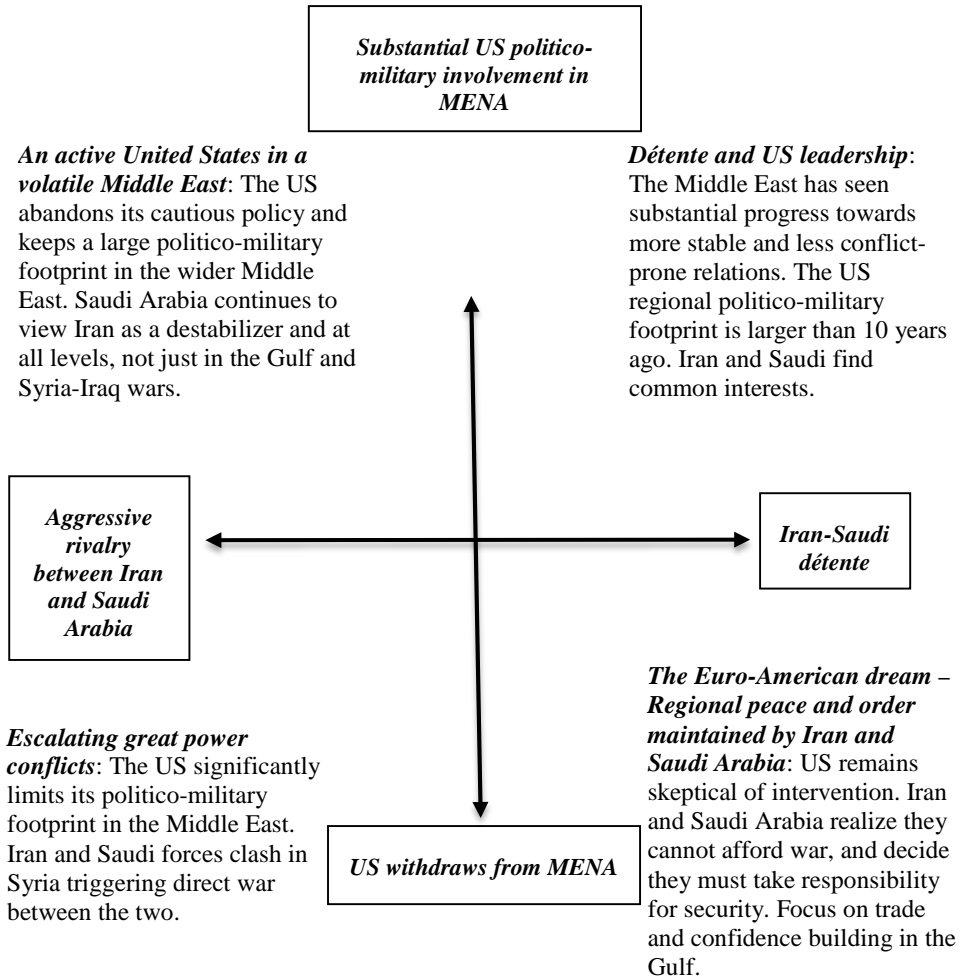
<sup>17</sup>John J. Mearsheimer: "A return to off-shore balancing", *Newsweek*, December 31, (2008).

## **Reading the scenarios**

The scenarios presented below are written as short sketches on what the future of the Middle East could look like in the mid-2020s. The main storyline is generated by manipulating our two themes along the lines suggested above. However, as noted earlier in the text, other themes, issues, and variables will also have some manner of impact, even though they are not our themes of choice. Issues such as economy, evolution of non-state armed groups, politico-religious debate, water and food scarcity, etc. are unlikely to disappear as such.

The scenarios may therefore refer to issues other than the two main themes. In fact, each scenario could be used as a point of departure for a more detailed analysis of possible consequences in various areas. This was not possible within the limits of the present project.

## MENA in the mid-2020's: four scenarios



## 2.2 Scenario one: An active United States in a volatile Middle East

*Key determinants: Saudi-Iran relations remain contentious; the US remains heavily involved in the Middle East*

By the mid-2020s, the US has departed from the cautious approach to involvement pursued by the Obama administration and is keeping a large politico-military footprint in the wider Middle East. Containing and managing the conflicts in Syria and Iraq, Yemen, and Lebanon which erupted in late 2010 has preoccupied the three US administrations following Obama. While the US and its partners have not been able to bring peace to the region, wider inter-state wars have been avoided. Even though Iran is continuing to implement the JCPOA (Joint Comprehensive Plan of Action - the nuclear deal from 2015), relations with Saudi Arabia have not eased. The American administration finds itself pressed between Saudi interests and the need to keep a stable working relationship with Iran.

Contention and rivalry between Iran and Saudi Arabia persists. Saudi Arabia continues to view Iran as a destabilizer and contender for regional influence at all levels, not just in the Gulf and Syria-Iraq. Despite the good track record of Iran in implementing the JCPOA, Saudi Arabia remains distrustful of Iranian intentions. Riyadh continuously accuses Iran of secretly having resumed a nuclear weapons program. The end of restrictions to Iranian centrifuge operations in 2025 is seen as very threatening.

The strained Iran-Saudi relationship is making it difficult to find a lasting international compromise concerning the Assad regime's fate, despite strong US attempts to broker a peace. The war in Syria continues unabated and is increasingly becoming a proxy conflict between Iran and Saudi Arabia, including their respective allies. In an attempt to draw Lebanese Hezbollah away from the battlefield in Syria, Saudi Arabia has for years increased its support to Sunni militants active in the Lebanese border areas. This has in turn sparked responses from both Hezbollah and the Lebanese military, which has aggravated the already polarized and economically strained local communities. Sectarian violence has become a *fait accompli* in Lebanon too.

The region's great powers, Saudi Arabia, Iran, Egypt, and Turkey, have not been rocked by further popular discontent, even though the situation in Turkey is problematic due to the low-intensity civil war being fought out against the PKK. The gradual recovery of the oil price in the early 2020s, which improved the economy of the resource-exporting countries, is one important reason. Iraq remains a divided country but the successes against Daesh and retaking of most of the western provinces have stabilized the situation from a security point of view. None of the dominant power wielders in Iraq, the Kurds, the Shia-dominated

government, or the Sunni communities, have chosen to fight for secession. Iran has become an example of how oil revenue enables diversification and development of other economic sectors. The standard of living amongst Iran's poor has been raised, which has boosted support for the regime.

This scenario diverges from the situation in 2016 in that the US has become more involved in trying to stabilize the region, including by military means. The Syria war has not been resolved, but the common enemy of most states, Daesh, has been pushed back from Iraq. This has led to a spreading of the war westwards into Lebanon, in which the US has seen itself forced to re-engage to help stabilize the country. Otherwise, disorder and a power vacuum in Lebanon could enable the entrenchment of terrorist organizations and organized crime syndicates, with regional and global outreach. The US will not let this happen and is prepared to deploy considerable force to prevent and diminish the terrorist threat abroad and at home. Oil continues to be an economic guarantor for many countries and regimes. There is a moderate level of economic development outside the hydrocarbons market.

As the present report was primarily concerned with the potential for future strategic or cataclysmic events that could surprise and negatively affect European countries, the consequence analysis for the scenario focused on problems. With the continuation of civil and proxy wars and the US focus on counter-terrorism at home and abroad, there is a distinct chance that the US and its allies and partners will see themselves forced to deploy large military assets to try to stabilize countries, stop conflicts, and protect populations from genocide and persecution. This could leave the West in a very difficult situation with mounting military and political costs, increasing difficulties to cooperate in the UN and the potential of direct conflict with other major powers in the war zone such as Russia, Saudi Arabia, and Iran. At the same time, it is difficult to see a scenario where the Syria war is solved, and peace and stability are restored, without regional powers such as Iran and Saudi being able to agree.

There is also a risk of open hostilities between Iran and Saudi Arabia as a consequence of their continued use of proxy agents and escalating bilateral contention. Apart from the catastrophic consequences this would mean for the region and its people, it would also put the EU in a very difficult position, as it would have wide reaching repercussions in a host of policy and economic fields. Even if war between the regional powers is avoided, the ebbs and flows of migration partially enabled and fueled by civil wars will continue to make it difficult to plan responses at the EU and individual member state levels.



## 2.3 Scenario two: Escalating great power conflicts

*Key determinants: The US withdraws from the region; Iran-Saudi Arabia contention continues*

By the mid-2020s the US has significantly limited its military footprint in the Middle East. Several developments combined have caused this. The US is no longer dependent on the Middle East for energy. “Peak oil”, as it was called during the early 2000s, implied the imminent depletion of hydrocarbon energy sources, but turned out to be a misinterpretation. Due to improved extraction technology and vast reserves of unconventional gas, the US has become self-sufficient with regard to energy. However, more important than the issue of resources is China, which increasingly is acting assertively in the East and South China Seas. The US is hard pressed to live up to its commitments to allies in East Asia and has to prioritize engaging there, including expanding its military footprint. Continued challenges to the European security architecture by Russia and the more permanent clash of interests between Russia and the West mean that more US military assets are tied up in Europe. As the US withdraws its military assets from the region, it leaves a power vacuum in the Middle East. Russia and to a lesser extent China are eagerly attempting to fill this vacuum, as are Iran and Saudi Arabia. As a result, the Middle East is becoming increasingly divided into spheres of interest.

The international community’s inability to find a way forward to solving the wars of the Middle East has been exacerbated by continued rising tension between Iran and Saudi Arabia. This means that in 2020 the wars in Syria, Iraq, and Yemen have not been solved. Consequently, instability keeps spreading across the region. Because of rising tensions between the great global powers, the international community remains in deadlock and unable to agree on a joint approach that leads to the termination of hostilities.

In Saudi Arabia, repression of the country’s Shia minority has increased. The Saudi government is trying to deal with the pressure of resisting Iranian advances on the regional battlefield and the expanding influence of anti-Saudi terror groups at the same time. Popular discontent mounts when Saudi Arabia, in addition to its own repressive behavior towards the Shia, fails to deter terror attacks aimed at Shia targets inside the country’s borders. In Iran, popular discontent is on the rise as well. The Iranian economy has recovered slowly following the implementation of the nuclear agreement in 2015, but continued mismanagement of the economy and recurring corruption scandals cause friction. Ayatollah Khamenei has been replaced with an ultra-hardliner, who besides having a more radical ideological stance than his predecessor also lacks his pragmatism and skill to balance the Iranian elites against each other. The new Ayatollah’s political camp has been allowed to become disproportionately influential. Anti-corruption demonstrations

periodically flare up in several of Iran's major cities and the government keeps responding harshly.

For the past 10 years, tensions have been rising between the Iran and Saudi Arabia in Syria, as both countries have deployed ground troops, sometimes engaging in direct combat operations. Hitherto both countries had been very careful not to operate on fronts where the other had troops. However, as part of offensive operations in the northern suburbs of Aleppo, where the opposition is mounting a final attack to regain the city, larger infantry formations from both Saudi Arabia and Iran clash. Casualties number in the hundreds, the Iranian forces being all but wiped out.

Simultaneously, the Iranian embassy in Damascus is bombed, killing all diplomats on site including several IRGC commanders. Tehran blames Saudi Arabia for the bombing. At this point, Iran can no longer show restraint. Given the domestic instability, the hawkish Iranian government seizes the opportunity to get its population to rally around the flag. Iran retaliates by using its submarines to attack several Saudi naval and merchant vessels. Saudi Arabia in turn reacts by bombing Iranian ports and oil facilities along the coast, which triggers wider direct hostilities between the two. Without the US as security balancer and guarantor, an air and naval campaign in the Persian Gulf theatre ensues, drawing the rest of the GCC countries and Iraq into the fray. Direct war between two of the most powerful states in the Middle East is now a reality.

This scenario would have severe repercussions for Europe if it came to pass. Although a direct conflict between Iran and Saudi Arabia would most likely redirect resources away from other regional conflicts in the short to medium term, such a development would result in great destruction. This scenario postulates that war continues in Syria and Iraq; that war breaks out between two of the region's most influential countries, Iran and Saudi Arabia; and that lack of political legitimacy will cause widespread instability which terror organizations will exploit to further entrench themselves in the region. The most obvious consequence of such a scenario is extreme refugee flows, as large parts of the region become uninhabitable. Because of existing geographical and familial ties, Europe is likely to become the destination of choice for the mass exodus, regardless of what European policies stipulate. As a result of the spread of global jihadism, another consequence is the continued radicalization of European citizens and an increased terror threat towards Europe, expanding the fight to the suburbs of Europe.

## 2.4 Scenario three: Détente and US leadership

*Key determinants: Détente between Iran and Saudi Arabia; the US has a large politico-military footprint in the Middle East*

By the mid-2020s, the Middle East has seen substantial progress towards more stable and less conflict-prone relations. The US regional politico-military footprint is larger than 10 years ago. The US leadership in shepherding the peace deals was a key to bringing the wars in Syria, Yemen, and Iraq to a conclusion. The strong and determined leadership of the US administration focused the peace negotiation process. Diplomacy supported by firm action when needed, including willingness to use military force, saw the US regain some of the credibility lost during the Obama administration's failure to uphold its red line on use of chemical weapons in Syria.

In the aftermath of the many peace accords that ended the Syria, Iraq, and Yemen wars, Iran and Saudi Arabia have tailored more constructive relations. This has been a result of the long and arduous process of peace negotiations. A more generally accepted formula for power sharing in formerly fractured and split societies has been agreed. The Herculean task of selling the peace formula to the warring parties has ultimately been facilitated by the regional powers' realization that jihadism and terrorism were becoming uncontrollable and would constitute a direct threat to country and regime stability.

The establishment of powerful, active terror and difficult to root out terror cells inside Saudi Arabia and Iran, combined with war fatigue in both societies, caused the two powers to acknowledge the need to find a compromise in Syria as a first step in ridding the region of the jihadist organizations.

Once regional sponsors of the main fighting formations in Syria put pressure on these to honestly partake in a peace process, the situation stabilized, ceasefires were observed, and political discussions on how to rebuild Syria ensued. In Iraq, the victory over Daesh and a string of successfully held elections have achieved a positive political balance. Successive central governments now show more respect for the rights of Iraq's many political factions, and the conflicting issues over territory and natural resources with the Kurdish Regional Government (KRG) are finally settled. Iran and Saudi Arabia no longer feel as pressing a need to use proxies to influence Iraq's power structures.

At the same time, sluggish regional economic development has underlined the need for more cooperative inter-regional economic interaction. Continued suppressed oil prices are pushing Saudi Arabia to accelerate its economic diversification reform, spending huge amounts on high-tech education and

structures for innovation incubation. The goal is to develop a healthy high-tech industry and market with export potential. Iran's economy under the more liberal leadership has turned more market oriented with less state control. As the largest potential market in the Middle East, this stimulates the domestic economy and trade. Like in East Asia, the market dynamics begin to outweigh traditional security contentions. The more equal military balance between Iran and the GCC countries in the Gulf, following a decade of intense Saudi military build-up, adds to the perception of stability on all sides.

For the war-weary populations of the Middle East, stability has become the key word in the aftermath of the wars and terror campaigns. The US is also emphasizing stability promotion rather than regime change and is not pursuing a doctrine of democratizing the Middle East.

There is no doubt that this scenario would have positive consequences not only for the region, but also for Europe. One such consequence is that the Europe-bound refugee flows would be reduced; another important consequence is that denying Daesh and other terrorist groups a safe haven in the Middle East could alleviate the threat towards Europe. The lengthy process of finding solutions to the wars has caused the region's youth to become disillusioned with the international system and the idea of democratic change. Although perhaps a marginal concern considering the amount of human suffering caused by the conflicts, the EU has invested a lot of political capital in promoting democratic values beyond Europe's borders, and therefore solving the conflicts in the Middle East via capitulation to authoritarianism would constitute a halting victory.

## 2.5 Scenario four: The Euro-American dream – Regional peace and order maintained by Iran and Saudi Arabia

*Key determinants: Détente between Iran and Saudi Arabia; the US limits its footprint and puts less priority on the Middle East*

By the mid-2020s, the US has limited its engagement in the Middle East and is pursuing a policy of offshore balancing. After having used all relevant tools, including a strong military presence, to help bring peace to Syria and Iraq in the late 2010s, Washington has withdrawn much of its military assets from the Middle East and is focusing on supporting the reconstruction of the war-ravaged countries. As for regional security, the US is relying on building relations with regional states on a bi-lateral and case-by-case basis. The regional powers have been left to take much more responsibility for ensuring stability and security. Trade and the economy is the most important interest for the US. Security is a priority, but consecutive US administrations have viewed non-military engagement in the region as more important than solving the wars in Syria and Iraq. Less visible engagement, so the US doctrine claims, also means less terrorist focus and activity against American targets. The US in effect has abdicated from its long-held role as provider of security in the wider Middle East and especially in the Persian Gulf. This has had profound consequences for Iran-Saudi relations.

By the mid-2020s, Iran and Saudi Arabia are moving towards a less confrontational and more cooperative relationship. Unexpectedly, this turn of events seems to have come about partly as a result of the US withdrawal from the region. Iran and Saudi Arabia (along with its GCC partners) have for decades, if not centuries, become accustomed to non-regional state involvement in the Gulf as balancers and providers of security. Under the US dominance, the politics of confrontation were less costly. Without a strong US footprint, provocative politics and behavior have become increasingly dangerous.

With the US largely absent, both countries have been forced to revisit their strategies and formulate what their key interests are. In sum, both decide that the security and stability of the Persian Gulf is an overarching ambition, especially in an era of economic strain. The concept of ‘trade first’ is not new. Both Iran and the GCC have to some degree entertained good trade relations across the Gulf for many decades. Iran’s approach is to re-engage in a policy of confidence building around the Gulf (a more active version of the 1990s policy of “dialogue of civilizations” pursued by presidents Rafsanjani and Khatami.)<sup>18</sup> A *Dubai model* is

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<sup>18</sup>Lawrence G Potter: Persian Gulf security: Patterns and prospects, in Parsi & Rydqvist (eds.): *Iran and the West – Regional Interests and Global Controversies*, FOI (Stockholm, 2011), p. 31.

promoted, which at its core sees trade, not Gulf dominance, territorial disputes, and resource conflict, as the central tenet. In Saudi Arabia, public opinion has a slightly larger effect on politics as a result of limited reform. Public opinion, much like the royal administration, is naturally divided, but more people and decision makers are ready to give Iran the benefit of the doubt. Some key initiatives, like removing operational military control of the Gulf from the IRGC navy and handing it to the regular navy, seem to underline the genuine willingness of Tehran to enhance confidence building.

The resolution of the wars in Syria and Iraq has been a prerequisite to the rapprochement between Iran and Saudi, as has a region-led post war process of reconciliation that accommodates the ambitions of the many minorities and trans-national forces which have such a prominent role in the Middle East. It also requires religious and political restraint among all state parties, something which is difficult to imagine in 2016. For Europe, this scenario would be an excellent turn of events, mirroring the hopes and ideals the EU was first built around. Economic cooperation, peace, and accommodation – a world far off in 2016.

## Appendix: Future studies and trend reports – a short overview

In order to get a sense of how future studies or trend reports are constructed and what they contain, we selected a few known examples from the think-tank and or government spheres to examine. The main purpose is to gain an understanding of the methodology the authors use and the components included in the final product. The reports we chose are: *Europe's Societal Challenges: An Analysis of Global Societal Trends to 2030 and Their Impact on the EU* by RAND; *Global Strategic Trends - Out to 2045* by the UK Ministry of Defence's Development, Concepts and Doctrine Centre (DCDC); *Global Trends 2030: Alternative Worlds* by the US National Intelligence Council; *Middle East 2020: Shaped by or Shaper of Global Trends?* by the Atlantic Council; *Future Trends in the Gulf* by Chatham House; and *The Middle East in 2015 and Beyond: Trends and Drivers* by the Middle East Institute (MEI). A few of these specifically focus on the Middle East, which suited our purposes for the present report.

The reports share similar frameworks and their main components are roughly the same. They begin by observing key trends, then move on to identifying variables that can impact the development of the trends, including more disruptive shocks, game changers, or “black swans”, and end with discussing the future by presenting scenarios. Some also analyze the policy challenges inherent in the different directions of development and provide recommendations for the intended audience. Some leave the audience to draw their own conclusions from the presented scenarios. Some of the reports describe the impact of the trends on particular geographical focus areas, while some take a global perspective. Essentially, all the reports state that they are not attempting to make predictions, but rather to create an intellectual space within which plausible futures can be discussed. The aim is not to discuss what *will* happen in the future, because that is impossible. The point is to discuss what *could* happen, based on the observable facts and knowledge of today, and to prepare the decision maker for, or make the target audience aware of, a range of challenges that the future could hold.

Only two of the reports have a separate chapter explicitly describing the methodology used. In the others, the method is implicit in the text or not mentioned at all. Most of these reports are based on three to four years of research, and it is plausible that methodology has been dealt with and presented in earlier stages or in underlying reports. Perhaps the reports were deemed to be too extensive if they included exhaustive methodological parts, as they represent final reports. However, our key impression is that in the instances where methodology is not explained, it leaves the reader questioning why certain assumptions are made. Most of the reports provide data to back up why certain drivers or trends are

selected, but no description of the process used to arrive at certain conclusions is included. In those reports that do contain methodological comments and explanations, the arguments are easier to follow. One (the RAND report) also contains an informative diagram (inserted below) that shows the components of the report and the aim of the whole exercise (which is to identify the policy challenges of a certain strategic actor - the EU - in light of various future scenarios).

The research underpinning the reports seems to have been conducted similarly, and typically begins with finding the key trends through combined data and literature reviews, expert interviews, and/or seminars, often followed by expert consultations where the findings are tested or, if there are written texts, those are reviewed and critiqued. For anyone who is interested, short summaries of the reports reviewed are included below. These reports mainly seem to use a combination of what in future studies is called a judgmental approach and an inferential approach.<sup>19</sup> The judgmental approach is informal and relies on the experience and knowledge of experts to make informed judgments about certain developments. The drawback of this approach is that it unavoidably suffers from some degree of bias, simply because the experts are using their experience to interpret what the facts of today could mean for the future. This problem is sometimes reduced by using more structured judgmental approaches such as the Delphi method,<sup>20</sup> or bootstrapping, which some of the reports reviewed have used. The inferential approach includes various formal methods, such as trend projection that builds on quantitative data. Trend projection is flawed in the sense that trends rarely end up being linear. Instead, trends are often interrupted or affected by unforeseen events that change the direction of the trajectory.<sup>21</sup> This is why several of the reports try to think about shocks, or black swans. In the time span these reports are looking at, around 10-15 years ahead, trend projections can be useful because there are trend trajectories one can be fairly confident about in a 10-year perspective, for example demography and economic development. There are numerous varieties of judgmental and inferential methods to choose from, trend projection and expert interviews being two common examples. The point in combining judgmental and inferential forecast methods, which both have their

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<sup>19</sup>Nicolas Rescher, *Predicting the Future – An Introduction to the Theory of Forecasting*, State University of New York Press, 1998, p.88

<sup>20</sup> The Delphi method is based on a structured process for collecting and synthesizing knowledge from a group of experts by means of a series of questionnaires accompanied by controlled opinion feedback that is; a ‘*structured dialogue*.’ For a detailed description of the Delphi method, please see for example Rescher, *Predicting the Future – An Introduction to the Theory of Forecasting*, p.92

<sup>21</sup>Ibid. p.99



flaws, is that they can complement each other, potentially creating a more accurate forecast together than on their own.<sup>22</sup>

## Report summaries

### RAND (2013)

#### *Europe's Societal Challenges: An Analysis of Global Societal Trends to 2030 and Their Impact on the EU*<sup>23</sup>

The aim of this report is to analyze global trends that can have an impact on the strategic landscape of the EU in 2030. The analysis is based on a key assumption, which is “*that a trend is of strategic importance to a decision maker if its future outcomes deviate from the desired outcomes from the decision makers' perspective.*” The report is made up of five parts; the first contains a description of methodology and approach, the second is devoted to key trends, the third to drivers, the fourth to outcomes, and the fifth to policy challenges and opportunities. The authors define these core concepts according to the following: trends are discernible patterns of change; drivers are factors that indirectly influence or cause change; and an outcome is the consequence of a particular trend or the interaction of multiple trends and drivers. The framework thus builds on observable trends, then drivers that could affect the trends are identified and analyzed in order to see what the plausible, likely, and alternative outcomes are. Subsequently, it becomes possible to match these findings to the strategic actor's (in this case the EU's) preferred outcomes and thereby to identify where the policy challenges lie.<sup>24</sup>

The trends were selected based on previous work by another research project (ESPAS). Research was carried out in two phases, a review of literature and data on the selected trends, and consultations with experts on the findings. The consultations were held in several stages, using the Delphi method (412 experts participated), and by holding subsequent interviews and expert seminars (112 experts participated). The authors note that one drawback of using this methodology instead of scenario analysis is that trends are considered individually in isolation from each other. They attempt to compensate for this by making explicit assumptions in the reviewed literature, and by identifying cross-cutting drivers that could affect the trends.

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<sup>22</sup>J. Scott Armstrong (ed.), *Principles of Forecasting – A Handbook for Researchers and Practitioners*, Kluwer Academic Publishing, 2001, p.417

<sup>23</sup>[http://www.rand.org/content/dam/rand/pubs/research\\_reports/RR400/RR479/RAND\\_RR479.pdf](http://www.rand.org/content/dam/rand/pubs/research_reports/RR400/RR479/RAND_RR479.pdf).

<sup>24</sup> For a clarifying illustration of the conceptual framework see page 4 in the RAND-report *Europe's Societal Challenges: An Analysis of Global Societal Trends to 2030 and Their Impact on the EU*, URL:[http://www.rand.org/content/dam/rand/pubs/research\\_reports/RR400/RR479/RAND\\_RR479.pdf](http://www.rand.org/content/dam/rand/pubs/research_reports/RR400/RR479/RAND_RR479.pdf)

**US National Intelligence Council (2012)*****Global Trends 2030: Alternative Worlds***<sup>25</sup>

This report is based on four years of research. It is stated that the report does not try to predict the future, but is rather meant to stimulate thinking about the future and potential developments. During the process of creating the first draft, input was acquired from scholars at universities all over the US. The first draft was then critiqued by experts from 20 countries on five continents. There is no separate chapter on methodology, rather it has to be deduced by reading the different parts of the report. The timeframe is 15-20 years into the future.

The report identifies megatrends, game-changers, and four potential 2030 worlds. The megatrends identified to shape the world in 2030 are: *individual empowerment; diffusion of power; demographic patterns; and the growing food, water and energy nexus in combination with climate change*. These are trends that exist now, but will become enhanced. Each megatrend is subsequently broken down to a number of supporting trends in the report. Game-changers represent critical variables that could affect developments. The variables chosen are: *the crisis-prone global economy; the governance gap; the potential for increased conflict; the wider scope of regional instability; the impact of new technologies; and the role of the United States*. Each of these variables is broken down into a number of trends. Within this chapter, black swans are also identified, i.e. game-changers with great disruptive potential. A black swan could for example be nuclear war or the collapse of the EU. The report ultimately lands in four fictionalized potential scenarios or potential worlds. The scenarios are named: *Stalled Engines* – a scenario in which the US and Europe turn inward and globalization stalls; *Fusion* – a world in which the US and China cooperate, leading to worldwide cooperation on global challenges; *Genie-Out-of-the-Bottle* – a world in which economic inequalities dominate; and *Non-state World* – a scenario in which non-state actors take the lead in solving global challenges. Within each scenario, the impact of the identified game-changers are discussed, as are the potential/imagined roles of major powers and regions.

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<sup>25</sup> <http://www.dni.gov/index.php/about/organization/global-trends-2030>.

## UK Ministry of Defence/DCDC (2014)

### *Global Strategic Trends – Out to 2045*<sup>26</sup>

This report describes phenomena that could have significant effects on the future, and combinations of developments that make up potential future scenarios. The intended audience for the report consists of employees of the British MOD, and other government ministries and authorities that carry out long-term planning. The report is divided into a theme part which describes key trends, and a geographical part which describes the potential impact of these trends on specific geographical areas. The themes are: *Demography; Gender; Urbanization; Resources; The Environment; Health; Transport; Information; Education; Automation and Work; Corruption and Money; and Identity and the role of the State; Defence spending and capabilities*. The geographical focus areas are: *Northern America; Latin America; Europe; Middle East and North Africa; Sub-Saharan Africa; Central Asia; South and East Asia and Oceania; Polar regions; and Space*. Throughout the report, shocks, scenarios, and alternative outcomes are outlined. The authors decided not to assign probability to the scenarios, as this was previously done in other editions of the Global Strategic Trends report. Each section of the report ends with defense-related deductions and their implications on security. On methodology, the authors state that data from the previous four reports were reviewed and analyzed in order to identify enduring trends, while research gaps were also identified with help from external contributors. As a result of this work, 30 topics crystalized. Researchers subsequently wrote essays on each topic, and the essays were analyzed and broken down into factors and trends. The factors and trends were ordered into thematic areas in order to illuminate dependencies and interactions. Short drafts on each theme and region were produced, and later critiqued by international actors within the government sphere, think tanks, and academia. The final step was to write and consolidate the final drafts which incorporated the received feedback and to add scenarios and shocks. The report was then peer-reviewed.

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<sup>26</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/348164/20140821\\_DCDC\\_GST\\_5\\_Web\\_Secured.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/348164/20140821_DCDC_GST_5_Web_Secured.pdf).

**Atlantic Council (2014), Mathew J. Burrows**

***Middle East 2020: Shaped by or Shaper of Global Trends***<sup>27</sup>

Mathew Burrows is director of the strategic foresight initiative in the Brent Scowcroft Center on International Security, and is also behind the *National Intelligence Council's Global Trends 2030* report. Due to the current turbulence the Middle East is experiencing, the author chose a five- to 10-year perspective for this forecast. The report explores alternative futures through scenario building, and is made up of two parts; drivers of change and scenarios. The drivers of change are: the state under threat; Iran at the center of changing power dynamics; economic outlook; technological development and demography; vulnerability to climate change; rising food prices; energy; the growing threat of conflict. The scenarios are called *Sectarianism on Steroids*, *A New Authoritarianism: State Power Stages a Partial Comeback* and *Turning the Corner*. The report lacks a description of methodology.

**Middle East Institute (2014), Paul Salem**

***The Middle East in 2015 and Beyond: Trends and Drivers***<sup>28</sup>

This is more of an essay than a report, and there is no discussion on methodology and or clear scenarios. Instead, there is a description of key drivers, and a depiction of what 2015 could be like. For our purposes the list of key drivers is the most interesting. The main selected drivers are the following:

*The battles of the youth bulge* – Two-thirds of the region's population are under 30. Unemployment levels are high.

*Power shift towards the populace* – greater access to information creates greater awareness and potentially greater demands on governments to deliver.

*Women empowerment*

*Moderate economic growth, severe unemployment*

*Not enough land, not enough water*

*Oil: curse or cure*

*Failing and resurging states* - Twenty percent of Arab states have failed in the past few years, others are on the brink. Some of the failures could have been avoided through power sharing.

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<sup>27</sup> <http://www.atlanticcouncil.org/publications/reports/middle-east-2020-shaped-by-or-shaper-of-global-trends>.

<sup>28</sup> <http://www.mei.edu/content/article/middle-east-2015-and-beyond-trends-and-drivers>.

*State-backed and state-wannabe non-state actors*

*Paradigms lost* – the region lacks a common governance paradigm, leaves room for ideological disputes.

*Political Islam and secular nationalism**The Sunni/Shia divide**The intra-Sunni divide*

*Broken regional order* – The Middle East is one of the few regions without any semblance of a regional security, economic, or political order to contain conflict and manage its intra-regional affairs.

*Changing fortunes within the international order* – US dependence on Middle East energy decreases and therefore also the Middle East's strategic importance, while Asia's dependence on Middle East energy increases.

*Barbarism and civil society* – ISIS has brought a barbaric use of violence to the region.

*State and civil society* – there is a civil society deficit in the region.

*Refugees without borders and population transfers* – massive population movements are already a serious challenge.

**Chatham House (2015), Jane Kinninmont,*****Future Trends in the Gulf*<sup>29</sup>**

This report is based on three years of research within the framework of Chatham House's future trends in the GCC project. The methodology used is implicit in the report, which consists of eight parts that all have self-explanatory titles referencing particular societal trends deemed to be of special importance. An introductory chapter is followed by a chapter entitled *Understanding political stability in the Gulf: a literature review*. Chapter three is devoted to *Resources and population pressures: Economic and demographic trends* and looks at the economic models of the Gulf States and relations between the state and citizen. Chapter four, *Information and participation: Informed citizens and changing societies*, looks at changes in availability of education and information. Chapter five, *Political participation, ideas and organization* assesses rapid changes within economic structures, demographics, education systems, and societies, and how these changes

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<sup>29</sup> <http://www.chathamhouse.org/publication/future-trends-gulf>.

contribute to growing political mobilization. Chapter six, *Regional dynamics: Politics, identity and security* explores the reasons behind the changing, more assertive roles of the Gulf States in the Middle East. Chapter seven, *Global connections: Gulf states and globalization*, assesses the impact of globalization on the Gulf countries. Chapter eight is *Conclusions and recommendations*.

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This report is the second and last publication of the MENA 2025 project undertaken within the Asian and Middle Eastern Security programme at FOI - the Swedish Defence Research Agency. The project has tested different ways of analyzing the future of regional security in the Middle East. This report outlines and discusses four contrasting scenarios of the future of regional security in the Middle East. The scenarios are constructed by varying two important and overarching factors deemed to have particular security impact in the region, namely the role of the U.S. and the rivalry between Iran and Saudi Arabia