

GREAT DECISIONS

Winter 2016 Update

Shifting alliances in the Middle East • The rise of ISIS •
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Shifting alliances in the Middle East

By *Loic Burton*

On January 2, 2016, Sheikh Nimr al-Nimr, a prominent Shi'a cleric, was convicted of "disobedience to the ruler" and executed along with 46 other individuals—mostly Saudi Sunnis linked to al-Qaeda. The killing of the cleric prompted outrage throughout the region, especially in Bahrain, Iraq and Iran. Protesters stormed the Saudi embassy in Tehran and, in response, Saudi Arabia broke off diplomatic ties with Iran.

As the backdrop to this confrontation, oil prices have been falling since 2014, reaching around \$30 per barrel in January 2016. Saudi Arabia's strategy has been to maintain high oil production regardless of the price. With lower operational costs than Iran and Russia and U.S. shale producers, Riyadh hopes to maintain low prices in the short-term to drive competitors out of business. That way, it will increase its market share once global demand rebounds. Another reason for Saudi's decision to keep pumping oil is that it wants to cripple its rival Iran, as sanctions lift and the country resumes its role as a major oil exporter.

However, even for a country with deep pockets such as Saudi Arabia, low prices have depleted the kingdom's coffers by more than \$100 billion, raising the deficit to 13.5% of GDP, its highest in decades. This is creating demands to liberalize and diversify the economy in a country where an overwhelmingly young population cannot find jobs. Moreover, if the state finds itself forced to cut its generous subsidies in order to balance the fiscal budget,

it will have to give in on another front such as increased political freedoms.

After months of intense negotiations, on January 16 the International Atomic Energy Agency certified Iran's compliance on its nuclear program. The nuclear deal is now implemented and all nuclear-related sanctions, including the freezing of \$100bn of Iranian assets, are lifted.

Many experts, including most Saudi policy-makers, fear that part of this sudden injection of cash will be diverted to the Iranian Revolutionary Guard Corps and the Quds force, responsible for the funding of proxy militias abroad such as Lebanon's Hezbollah, Yemen's Houthis and Iraq's Shi'a groups. However likely, it is important to remember Iran's dire economic situation. Mismanagement under Ahmadinejad's administration, sanctions and the drop in oil prices have shrunk economic output. The country currently needs an estimated \$230 billion in investments to revitalize its oil and gas sector and over \$1 trillion to put the decrepit economy back on its feet.

Regarding the U.S. alleged realignment in the region—away from Saudi Arabia and embracing Iran—the slapping of new U.S. sanctions related to Iran's missile program days after the nuclear deal's implementation sent a clear signal. Moreover, on January 24, Secretary of State Kerry traveled to Riyadh to reassure Saudis that "We have as solid a relationship [...] as we have ever had, and nothing has changed because we worked to eliminate a nuclear weapon with a country in the region."

Sheikh Nimr al-Nimr's execution was the latest incident in the Saudi-Iranian proxy war,

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forcing Washington to perform a difficult balancing act between Riyadh and Tehran. However, the commotion will not be sufficient for the two regional hegemony to come to direct blows with each other.

Recommended Readings

Michael Pearson, “Iran and Saudi Arabia at loggerheads: How we got here,” *CNN* (Jan. 4, 2016).

Josh Cohen, “Is it time for the United States to dump Saudi Arabia?” *Reuters* (Feb. 3, 2016).

Frank Gardner, “Saudi Arabia’s King Salman marks year of change,” *BBC News* (Jan. 22, 2015).

The rise of ISIS

By Loic Burton

Since Paris, individuals claiming allegiance to ISIS have conducted other attacks around the world. In San Bernardino, California, a “self-radicalized” couple—inspired by ISIS but not directly ordered—killed 16 and wounded another 21 people. More recently, an ISIS-affiliated group in Jakarta, Indonesia, detonated multiple bombs in the capital’s center and exchanged shots with the police, leaving 7 people dead and 17 wounded.

Although attacks abroad demonstrate the increasingly global reach of the militant group, ISIS is no longer on the rise. Indeed, it is relatively easier to offer logistical and financial support to individuals abroad or even promote self-radicalization through sleek recruitment videos, than to mount a decisive military attack and turn the tide in Iraq and Syria.

Indeed, the recent defeat of the Islamic State in Ramadi on December 27 signaled their loosening grip over the so-called caliphate. The successful combined assault between local ground forces and U.S. airpower may embolden Iraqi forces to push further and retake Fallujah. If they succeed, the coalition’s attention will then turn to Iraq’s northeast, where Mosul, the country’s second largest city, is still held by ISIS.

With a pre-occupation population of about two and a half million people, Mosul is a huge source of revenue for the group through taxation and extortion. If it should fall, ISIS pretensions to be a state—with a functioning bureaucracy and offering public services—would collapse along with it.

As ISIS’ power is waning, American involve-

ment in the fight against the militant group is expanding so as to deal a crushing blow. On January 28, senior Pentagon officials announced the deployment of hundreds of trainers, advisers and commandos in addition to the already 3,700 troops in Iraq and a handful of Special Operations forces in Syria. Col. Steve Warren explains: “The reason we need new trainers [...] is because that’s really the next step in generating the amount of combat power needed to liberate Mosul.”

The Pentagon’s desire to expand the military presence on the ground comes at a time when the American public remains skeptical of the United States’ getting more deeply involved in another conflict in the Middle East.

According to a recent analysis by the Institute of War, “ISIS remains unchallenged in its core terrain across Iraq and Syria. The organization will likely retain this safe haven for the foreseeable future, allowing it to continue to resource and direct attacks on the West.” ISIS is slowly crumbling, but as it collapses one could expect more attacks abroad in a desperate attempt to maintain its legitimacy and thus its ability to recruit.

Recommended Readings

German Lopez, “San Bernardino shooting: what we know,” *Vox* (Dec. 9, 2015).

“Reclaiming the ruins from Islamic State,” *The Economist* (Jan. 2, 2016).

Michael E. Schmidt and Helene Cooper, “More Is Needed to Beat ISIS, Pentagon Officials Conclude,” *The New York Times* (Jan 28, 2016).

International Migration

By Matthew Barbari

The winter’s harsh conditions have led to a slowdown in the flow of migrants from conflict-ridden Syria and Iraq and other impoverished countries. Estimates have the amount of migrants entering Europe in 2015 at over one million.

While Angela Merkel continues her uphill battle to preserve the EU’s passport-free Schengen zone, anti-immigration sentiment in Germany and other European countries keeps on growing. This is especially true after the Paris terrorist attacks as well as the New Year’s sexual assaults en masse in Cologne. Many who initially applauded

Merkel's generous attitude are now left wondering if Europe's policy toward the migration crisis is causing more harm than good.

Throughout the Greek debt crisis and the Ukrainian standoff with Russia, Merkel has remained steadfast in the face of adversity. The migrant crisis, however, might push her past the breaking point. Much of the early pro-refugee sentiment embraced by Germans has been replaced by a growing fear and anxiety toward migrants.

The attacks on women by mobs of young men described as "looking North African or Arabic" in Cologne and other German cities shocked many and the authorities' lukewarm response to the complaints only added fuel to the fire. This resentment is being manifested in the growing support for right-wing political groups such as the xenophobic PEGIDA movement and the Alternative for Germany party.

While Germany struggles to assimilate its refugee population, some Eastern European countries have refused to abide to the EU's migrant quota scheme to share the burden of asylum-seekers. Hungary and Macedonia—transit countries used by migrants to push further into Western Europe—have erected walls and set up checkpoints along their borders. While the EU can threaten legal action such as sanctions against noncomplying countries, forcing the resettlement of migrant populations in countries where they are not welcomed is a bad idea.

The migrant issue pulled the EU apart, creating an east-west divide in 2015. While France and Germany called for open borders, many eastern countries closed them. The image is now getting murkier with Scandinavian countries like Sweden and Denmark implementing passport checks for travelers entering by car or train—going against the Schengen Area's regulations.

Denmark is confiscating migrants' assets over €1,300 to finance the costs of housing and feeding the new arrivals. Even Sweden—a country that initially welcomed refugees, taking in the largest influx in the EU as a proportion of its population—is now planning to expel up to 80,000 asylum seekers.

While the EU struggles with integrating the million or so migrants that have already crossed its borders, the crisis will only intensify. As temperatures slowly climb back, a new wave of migrants is expected. Some estimate that as many as three million could head for Europe in 2016.

Recommended Readings

"An ill wind" *The Economist* (Jan 23, 2016).

Dan Bilefsky, "Sweden and Denmark Add Border Checks to Stem Flow of Migrants," *The New York Times* (Jan. 4, 2016).

"Europe's migrant crisis: Forming an orderly queue," *The Economist* (Feb. 6, 2016).

Korean Choices

By Matthew Barbari

On January 6, North Korean officials announced that they had successfully detonated a hydrogen bomb in their nuclear testing facilities. While U.S. and South Korean leaders argue about the validity of Pyongyang's claim, there is little doubt that Kim Jong Un's regime is pursuing its nuclear program, undeterred by international sanctions. Indeed, this is the fourth test since 2006 when North Korea first claimed to have successfully detonated a nuclear bomb.

North Korean officials have argued that Pyongyang's nuclear program is essential to the country's deterrent capabilities. In their eyes, nations like Iraq and Libya have been attacked by foreign powers because they did not have or had dismantled their nuclear weapons program.

During her annual New Years address to the South Korean people, President Park Geun-hye called for a response from China and the United Nations: "I think China is fully aware that if such strong will is not matched by necessary measures, we cannot prevent fifth and sixth nuclear tests by the North or guarantee real peace and stability on the Korean Peninsula." Since her inauguration in 2013, President Park has strengthened ties between South Korea and China, hoping that Beijing would pressure the North to discontinue its nuclear program by threatening to suspend their aid to the decrepit regime.

Unfortunately for President Park, the Chinese government supports the Nuclear Non-Proliferation Treaty but has fallen short of persuading the secluded regime to stop its activities. While U.S. officials were quick to condemn North Korea's latest test, calling for the strengthening of pre-existing sanctions against the country by the UN, they too have had little success in influencing Pyongyang's policy decisions.

Moreover, Chinese officials were quick to attribute some blame to the U.S. and South Korea for

their response to the North's most recent test. This division could prove costly for Chinese-South Korean relations that President Park has worked so hard to foster.

Despite all the attempts by President Park and U.S. officials to normalize relations between the South and the North, the divide in the Korean peninsula seems to grow ever larger, with no end in sight to the long standing conflict.

Recommended Readings

"North Korea nuclear: What now after H-bomb test claim," *BBC News*, (Jan. 7, 2016).

Victor Cha and Robert L. Gallucci, "Stopping North Korea's Nuclear Threat," *The New York Times* (Jan. 8, 2016).

Jonathan D. Pollack, "Punishing Pyongyang: With new U.S. sanctions, how will China respond?" *Brookings* (Feb. 2, 2016).

Climate Geopolitics

By Matthew Barbari

From November 30 to December 12, the 21st meeting of the Conference of Parties or COP21 was held in Paris, France. Bringing together representatives from over 190 nations, the conference aimed at developing a strategy to reduce greenhouse emissions and combat climate change. Ultimately, the COP21 fulfilled its promise of negotiating a binding global climate change agreement, even if some have reservations about it.

The agreement will be open for signature in New York from April 22, 2016 to April 21, 2017. It will take effect when at least 55 states responsible for at least 55% of the greenhouse gases produced in the world ratify it. Many fear that if the largest greenhouse emitter countries—the U.S. and China—do not ratify the agreement, the 55% threshold would not be met.

The Paris agreement requires that each signatory country must set a target for its greenhouse gas reduction, although the actual amount is voluntary for each country. The goal is to "hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change."

While reaching an agreement marks a pivotal moment in climate negotiations, there are still those who criticize the Paris Agreement for not being tough enough. Much of the backlash revolves around the absence of enforcement mechanisms and penalties should a country fail to meet the standards that they set for themselves every five years. Even the provision calling for developed nations to provide funding to developing countries to limit their greenhouse gas emission is non-binding and offers no incentive for wealthy countries.

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Elizabeth Kolbert, "Good reasons to cheer the Paris climate deal," *The New Yorker* (Dec. 14, 2015).

Tom Bawden, "COP21: Paris deal far too weak to prevent devastating climate change, academics warn," *The Independent* (Jan. 8, 2016).

Eliza Northrop and Katherine Ross, "After COP21: What Needs to Happen for the Paris Agreement to Take Effect?" *World Resources Institute* (Jan. 21, 2016).

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