



# ARAB FUTURES 2.0

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The road to 2030

by  
Florence Gaub



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## The author

Florence Gaub is the Deputy Director of the EUISS. She specialises in strategic foresight, as well as security and conflict in the Middle East and North Africa.

## The EUISS Chaillot Paper series

The *Chaillot Paper* series, launched in 1991, takes its name from the Chaillot hill in the Trocadéro area of Paris, where the Institute's first premises were located in the building occupied by the Western European Union (WEU). The hill is particularly famous for the Palais de Chaillot which was the site of the signing of the UN Universal Declaration of Human Rights in 1948, and housed NATO's provisional headquarters from 1952 until 1959.

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# EXECUTIVE SUMMARY

The next decade in the Middle East and North Africa (MENA) offers many opportunities, but poses just as many challenges. Regional decision-makers will have to face a geostrategic environment shaped by climate change, energy diversification, a growing and young population, rapid urbanisation, digitalisation, food insecurity and a gradual shift of its export base from Europe to Asia.

Leaders in the region – and those wishing to assist them – will face uncertainty in a number of areas: some of these they will have to manage, but others they will simply be exposed to. This includes the management of climate change (which will hit the region hard), the possible emergence of mega-slums and a global shift towards economies based on advanced technology. Matters will be made worse by the four ongoing conflicts in Yemen, Libya, Iraq and Syria: without regional stability, progress will be exceedingly slow – and more policy challenges will emerge. All this is compounded by unstable and/or hostile regional relations, which block advances in a number of areas. Unfortunately, this means at the time of writing that conflict probability remains high for the region in the next decade. The young generation that will reach political maturity between

today and 2030 is unlikely to make matters easier for the region's leaders: although socially conservative, they display an appetite for disobedience and high levels of expectation *vis-à-vis* their governments.

That said, there are many opportunities to grasp: states could choose to diversify their energy production and move towards renewables today rather than wait until forced to do so; climate change scenarios can help prepare the region for what it will have to handle; a demographic dividend could be used to reap economic benefits; and an active civil society, whether in a democratic system or not, can contribute to a more dynamic exchange between leaders and their populations. The global embrace of technological innovation, too, could have many benefits for the region – if its leaders choose to act now. Similarly, the reduced role of the United States in the MENA we expect in the future means that there is perhaps now more room for cooperation as states will no longer be able to rely on outsiders to solve their bilateral issues. The coming decade has many challenges, but just as many opportunities for the region – as well as its neighbours.

# INTRODUCTION

## Middle Eastern foresight myths

At first glance, the MENA region appears particularly unsuited to conducting foresight exercises. Its wars, coups and revolutions seemingly come out of the blue, creating a strategic environment consisting mainly of surprising and disruptive events. It is impossible to envision the future when the present needs to be tended to urgently – or so the reasoning goes.

But this reasoning is wrong.

To begin with, the concept of events being *completely* unpredictable (famously known as ‘Black Swans’) does not stand up to scrutiny. Most are generally more foreseeable than generally assumed (also called ‘Dragon Kings’): a mathematician forecast the Arab Spring; a group of researchers saw the 2013 coup in Egypt coming; while others identified the inevitability of Algeria’s eventual uprising.<sup>1</sup> In addition, most sudden events occurring in the region are in fact not the result of mysterious and erratic developments, but quite the opposite: issues that have been around for so long that they are being ignored (also known as ‘Grey Rhinos’). Somewhat paradoxically, humans have the capacity to discount a problem if it has stayed the same long enough – or if it is too difficult to address.<sup>2</sup> One example is the Israeli–Palestinian conflict, whose spinoffs – the Intifada of 1987 or the war with Hezbollah in 2006 – surprisingly caught most observers off guard.

### Foresight animals



#### dragon kings

rare and impactful events  
that are predictable to some extent



#### grey rhinos

events which are both highly probable  
and highly impactful, but occur only  
after a long series of warnings



#### black swans

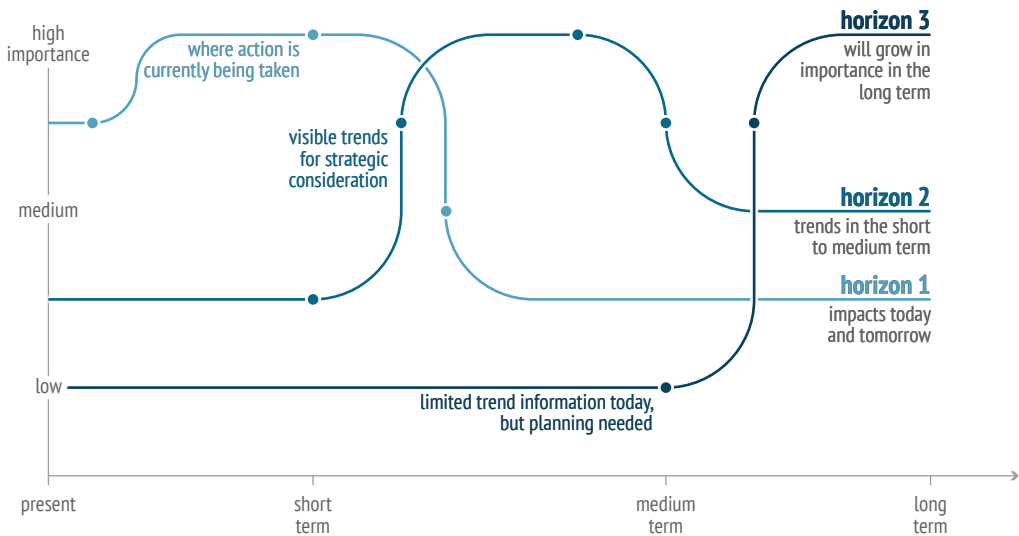
high-impact events so rare that they  
are nearly impossible to anticipate

But beyond the predictability of events, it is precisely because the region features so many sudden events that foresight is crucial. The constant occurrence of surprises leads to a constant reaction to them – the opposite of proactivity, anticipation and, in the best of cases, policymaking designed to improve things over time. Where decision-making is repeatedly

1 Jason Koebler, “The ‘Complex Systems Theorist’ Who Predicted the Arab Spring”, *Vice*, June 17, 2017, [https://www.vice.com/en\\_us/article/43ypab/the-complex-systems-theorist-who-predicted-the-arab-spring](https://www.vice.com/en_us/article/43ypab/the-complex-systems-theorist-who-predicted-the-arab-spring); Florence Gaub, “Countdown to a Coup d’Etat in Egypt?”, *Carnegie Europe*, April 19, 2013, <https://carnegieeurope.eu/strategieurope/51567>; Yahia H. Zoubir, “Algeria After the Arab Spring: Algiers Came Out Ahead—But the Good Times Could Be Over”, *Foreign Affairs*, February 9, 2016, <https://www.foreignaffairs.com/articles/algeria/2016-02-09/algeria-after-arab-spring>.

2 Michele Wucker, *The Gray Rhino: How to Recognize and Act on the Obvious Dangers We Ignore* (New York: St Martin’s Press, 2017).

## Foresight horizons



Data: Vision Foresight Strategy LLC, 2015

hijacked by existential events such as wars and revolutions, the solutions to other problems are postponed; all while the next crisis is quietly in the making.

In that sense, foresight is to decision-making what reconnaissance is to warfare: it provides situational awareness, alerts to challenges, shows avenues for possibilities and brings unseen interlinkages to the forefront. If one imagines policymaking to consist of three interlooped horizons, most of today's actions will concern today and tomorrow ('horizon 1'). But the future does not just consist of tomorrow: it also has medium-term dimensions (anywhere between two to five years) and long-term ones (a decade and longer), what we call 'horizon 2' and 'horizon 3', respectively. Where policymaking is often busy with horizon 1, foresight is concerned with the latter two. Of course, effective policymaking needs to juggle all three, but most institutions, built for conducting day-to-day business, would collapse if they had to constantly address urgent crises while also imagining a far-away future. It is for this reason that foresight is generally conducted

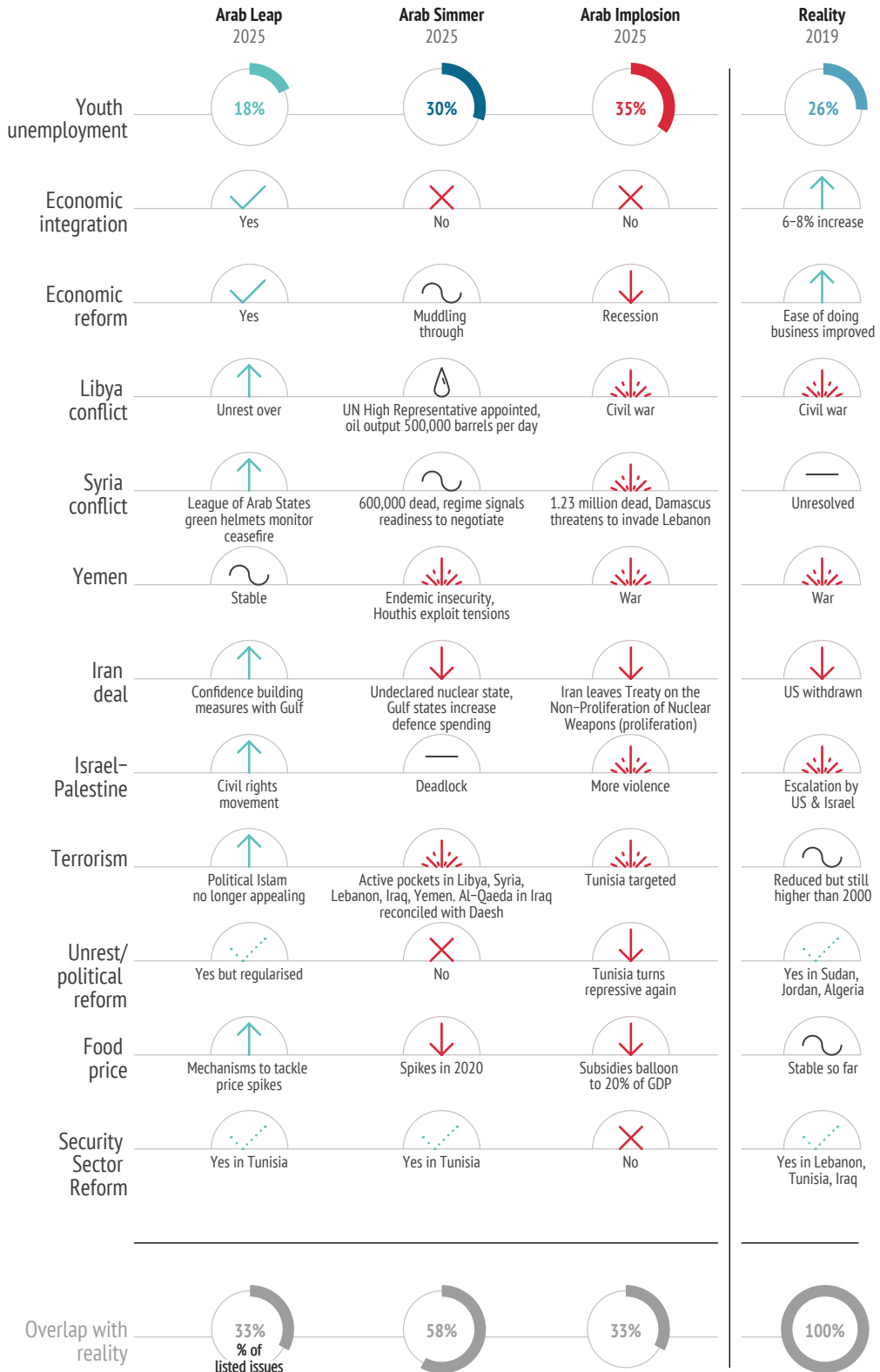
by units removed from daily policymaking (such as the EU Institute for Security Studies (EUISS)), monitoring, exploring and communicating its more distant dimensions. By taking a step away from the day-to-day, they can shed light on the unwanted consequences of today's actions, shine a light on unnoticed developments and show the potential of hitherto unexplored options.

It is a particularly important moment to conduct a foresight study on the MENA: while the region appears to have recovered from some of the shocks of 2011 and its aftermath, the next decade will bring new and more substantial challenges. An assessment of the 2015 EUISS Report 'Arab Futures: Three Scenarios for 2025'<sup>3</sup> proves this point – with a 58% overlap with reality today, the region seems to be well on track towards the scenario identified as 'Arab Simmer'.<sup>3</sup> This means that the MENA has improved on food price vulnerability, re-launched its economies and curbed terrorism, but it is still struggling with political reform and youth unemployment, wars in Libya, Syria and Yemen are unresolved and tensions in the

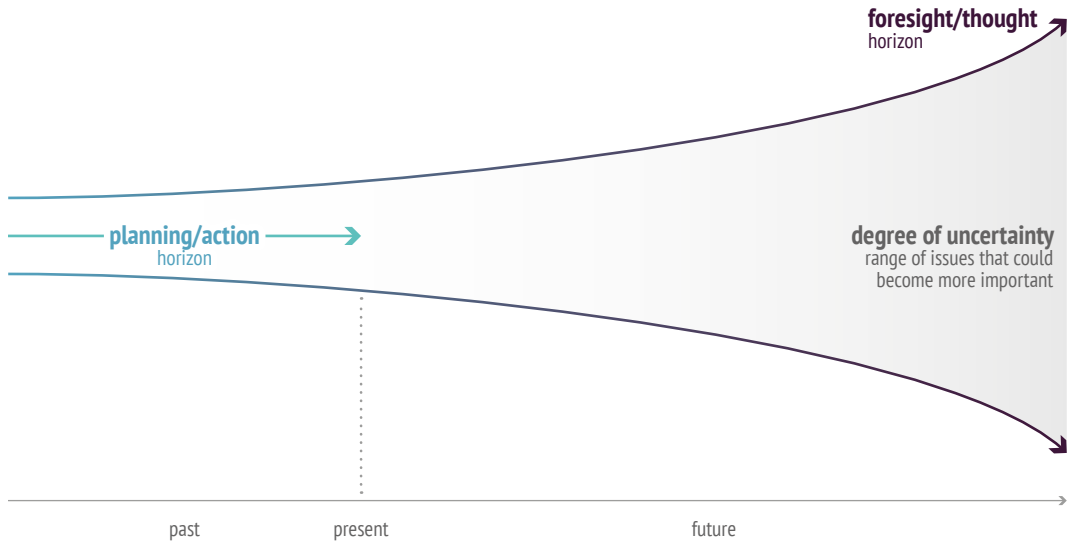
<sup>3</sup> Florence Gaub, "Arab futures: three scenarios for 2025", *EUISS Report*, no. 22, 2015, <https://www.iss.europa.eu/content/arab-futures-three-scenarios-2025>.



## Assessing the 2015 EUISS 'Arab Futures' Report



## Foresight vs planning



Data: Vision Foresight Strategy LLC, 2015

Gulf are running high (not to mention the protracted Arab–Israeli conflict). In addition, new challenges have come to the forefront: climate change is now a dark reality in the region, urbanisation (along with conflict) could become a toxic element, a new, digital generation is reaching political maturity and global energy shifts are starting to be felt. The geostrategic landscape of the region has altered, too, since the last Report came out: neither Russia nor Saudi Arabia were significant regional players back then. In sum, a fresh look at the future of the region is now a necessity.

It is worth pointing out that the plethora of plans and visions the region has produced are not the same as foresight: a plan is linear and normative, whereas the future is often neither. Saudi Arabia's Vision 2030, Kuwait's Vision 2035, Egypt's Map of the Future or Iraq's Five-Year Plan are all (largely laudable) attempts to stimulate strategic thinking by setting goals, streamlining resource allocation and, one would hope, increasing effectiveness. But they leave, like their historical counterparts from the era of Nasserism, Baathism and the Jamahiriya, little room for the uncertainty that tomorrow inevitably holds. Where a plan reduces uncertainty, foresight makes room for it. Where planning is about doing, foresight is

about thinking – and then doing. Realistically, plans cannot go beyond a certain time horizon, whereas foresight can. And foresight should precede planning because the mere envisioning of a negative scenario can alter human behaviour. This is where foresight is different from, say, weather forecasts: humans are affected by our predictions, whereas the weather is not. Simply put: the very act of foresight itself can change the behaviour leading to its predictions.

The greatest uncertainty in foresight is not technology, economics or the weather: it is human beings themselves. How decision-makers, but also other members of society, act and react, is not only a determining factor in how the future unfolds, it is also the trickiest one to understand and anticipate. Perhaps this is precisely the reason why foresight studies on the region are so rare: regional determinism and the stereotypes of outsiders used to allow for little room for human agency.

It is for this reason that the scenarios laid out here are determined in large part by the human agency of regional decision-makers. After all, social change is a fundamentally intrinsic affair, no matter what school of thought one subscribes to: evolutionary theory, for instance, posits that human societies continue

to progress in a linear fashion. In the cyclical theory, social change is the result of overcoming challenges – where they are not overcome, societies will simply decline. In the economic theory of social change, society will change depending on its economic underpinnings. Lastly, conflict theory is convinced that progress is the result of struggles within society. What they have in common is, of course, the notion of societal change from within.

This *Chaillot Paper* opens with three scenarios which lay out the regional state of affairs in 2030. These scenarios are built on the catalysts or agents of change that were identified after a careful analysis of the mega-trends that are elaborated thereafter. The *Chaillot Paper* would have been impossible without the group of experts that were consulted in Brussels on 27

November and 18 December 2018. My utmost gratitude for their input and visionary thinking goes to:

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# CHAPTER 1

## THREE SCENARIOS FOR 2030

Scenarios are essentially stories about the future. They are, of course, not fantastical inventions, but based on horizon-scanning, the consulting of experts, research and data. All three ‘stories’ presented here are not free-floating: they are hemmed in by the ‘corset’ of mega-trends decision-makers will be constricted by, and take into account those catalysts or agents of change that could have varying effects. Together, mega-trends and catalysts are, to stay in the story-telling analogy, the backdrop against which the future unfolds.

But why stories for adults? In essence, scenarios allow us to take a step back from our assumptions, the mental cage that often blocks our long-term vision – a particularly important exercise today. As Pierre Wack, one of the first to use scenarios for the petroleum giant Shell, famously noted, ‘in times of rapid change, a crisis of perception (that is, the inability to see an emerging novel reality by being locked inside obsolete assumptions) often causes strategic failure.’<sup>1</sup> One way to avoid this (or gently ‘re-perceive’ things, as Wack called it), are scenarios or stories.<sup>2</sup> They are more powerful than the abstract and sometimes dry analysis of trends because they can elicit an emotional reaction – leading to true engagement. Scenarios can bring an alternate future to life in a way trend analyses cannot: they create compelling narratives, landscapes, visual forms of possible worlds that readers can experience and

immerse themselves in. They also allow readers to test existing strategies and their impact.

In sum, scenarios are virtual realities allowing for full immersion in an imagined future.

Human agency stands at the centre of our scenarios – not just because human decisions will have a disproportionate impact, but also because this is where the possibilities for action are the greatest. Foresight is as much about action as it is about the future. The scenarios follow three different human attitudes towards change: where desire for progress meets capacity, problems will be solved; where desire for progress is hampered by a lack of capacity, positive evolution will take somewhat longer; and where there is no desire for change, the scenario is very bleak indeed.

The location had not been chosen randomly: the grand opening of the new Baghdad metro was held at the station ‘Banu Musa’, named after the three 9th century authors of the ‘Book of Ingenious Devices’ – a collection of innovative and visionary ideas concerning machines and technology. Iraq was once again ready to portray itself as a place for innovation and modernisation and the metro was only one of a multitude of projects which showcased this fact.

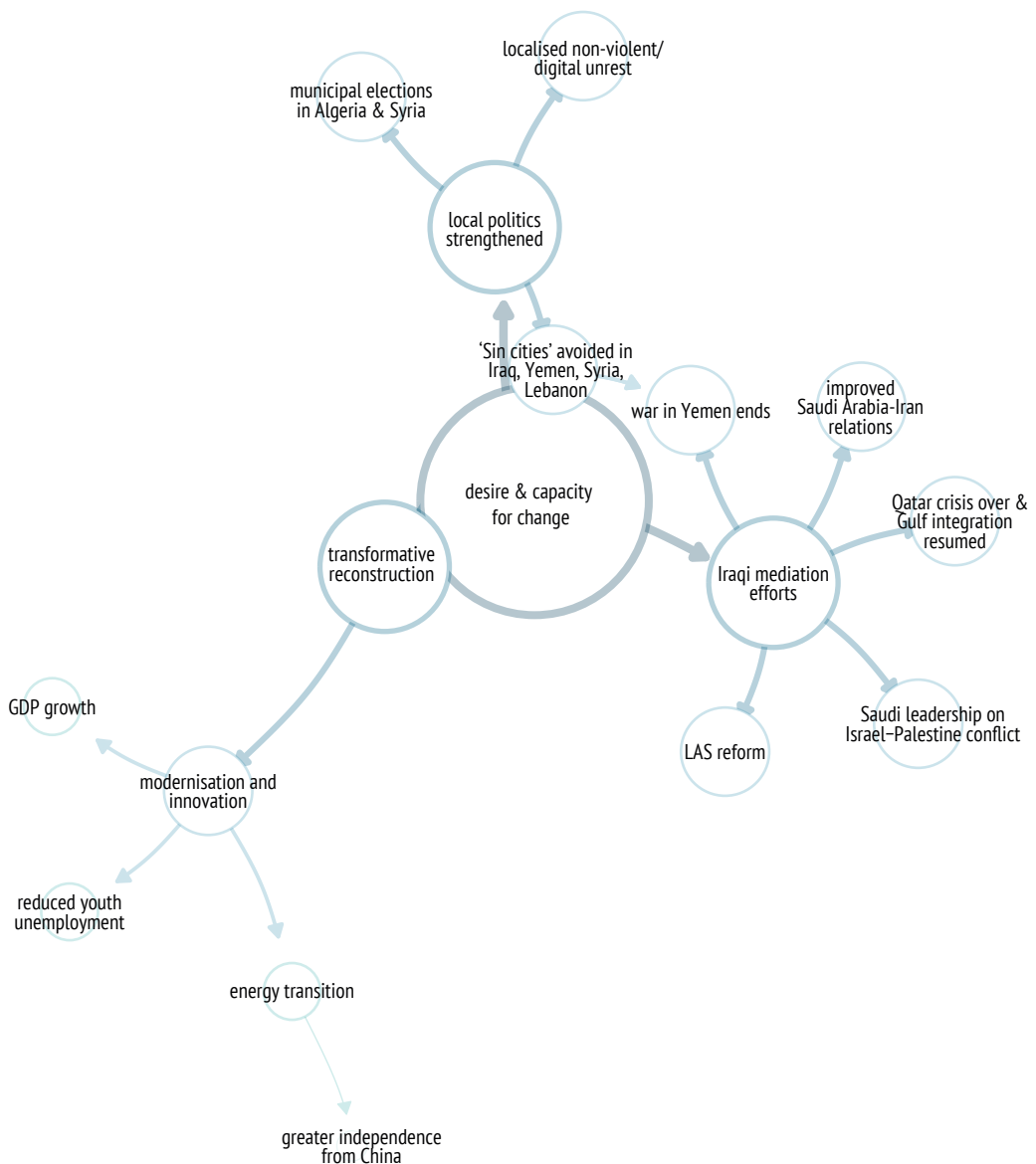
The capital of Iraq, which had just crossed the threshold into mega-city status, looked remarkably different to those who remembered it from the days after the invasion in 2003. Trees

1 Pierre Wack, ‘Scenarios: Shooting the Rapids’, *Harvard Business Review*, November, 1985, <https://hbr.org/1985/11/scenarios-shooting-the-rapids>.

2 Ronald J. Kantor et al., ‘Fostering the Suspension of Disbelief: The Role of Authenticity in Goal-Based Scenarios’, *Interactive Learning Environments*, vol. 8, no. 3 (2000), pp. 221–227.

# SCENARIO 1 – SOLUTION: TOMORROWLAND

This scenario, set in 2030 and named after the 2015 film, is built on the assumption that visions of hope will ultimately prevail in the decision-making of regional leaders and that capacity matches the desire for change. While overall the most positive scenario, it recognises the difficulties that decision-makers will encounter along the way and assumes that leaders will have to make choices when it comes to their priorities – they will not be able to address all challenges equally.



had been replanted and, with a substantial decrease in terrorist attacks, security checkpoints reduced.<sup>3</sup> Newly opened construction projects such as Besmaya Dream City or the new Central Bank building (designed by the late Iraqi architect Zaha Hadid) were just two high-profile examples of the changing face of the city; after the 2020 convention ‘Iraq build’, more than \$100 billion had been raised for the construction of residential buildings, among other things. As a result, Baghdad’s slum population decreased from 13% in 2018 to 7% in 2030 – despite its continued population growth. Although the city still faced major challenges (especially when it came to climate change, which increased the number of exceptionally hot days per year from 8 to 47), it had improved tremendously thanks in large part to its mayor, Zekra Alwach.<sup>4</sup> Next year, Baghdad’s citizens will finally be able to elect their mayor directly – the result of Iraq’s large-scale decentralisation efforts which helped to fight corruption and improve local services.

But the story of Baghdad is also the story of Iraq more broadly, which is in a much better place than it was a decade earlier. It all started in 2018, when Iraq’s ‘Three Presidents’ managed to form a stable team dedicated to reconstruction, recovery and regional stabilisation.<sup>5</sup> The government launched an impressive reconstruction programme, improved on the monopoly of violence following the progressive integration of the Popular Mobilisation Forces into the armed forces and established itself as a convener of regional powers – especially Saudi Arabia and Iran.

It was largely thanks to Iraq that the two Gulf rivals finally signed a document in 2025 promising the creation of confidence-building measures; even though implementation was slow, progress was noticeable and military conflict between the two was gradually no longer considered a likely possibility. Of course, Saudi Arabia had come a long way since the ascension of Muhammed bin Salman to the throne. The first millennial leader to become a head of state in the region, he had also inspired many Arab youths thanks to the near-revolutionary transformation of Saudi society according to Vision 2030 (even though critics pointed out that not even half of the Vision’s objectives had actually been met). Of course, the war in Yemen proved to be his most important foreign policy challenge: once an agreement had finally been hammered out under the leadership of his new Foreign Minister Haifa Aljeda (the first woman to hold this position),<sup>6</sup> Riyadh embarked on the most ambitious post-conflict reconstruction programme the region had ever seen, including the ‘future-proofing’ of Yemen for the highly challenging decade ahead. This included a (still timid) diversification of its economy, an improvement of food security and the modernisation of schools, hospitals and infrastructure – with even some projects for renewable energy, which had not played any role ten years earlier.<sup>7</sup> It also included, to some extent, measures to counter the effects of climate change, especially in the agricultural sector. In total, the cost for this surpassed the anticipated \$60 billion by far.<sup>8</sup> This does not mean that Yemen is not without its challenges today: already not in a good shape before the conflict started in 2015, the war set it back by 21 years in development

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- 3 Peter Baumont, “Baghdad at 10 million: fragile dreams of normality as megacity status beckons”, *The Guardian*, January 7, 2019, <https://www.theguardian.com/cities/2019/jan/07/baghdad-at-10-million-fragile-dreams-of-normality-as-megacity-status-beckons>.
  - 4 “Mayor of Baghdad aims to regenerate the city and twin it with Paris”, *The National*, February 10, 2018, <https://www.thenational.ae/business/mayor-of-baghdad-aims-to-regenerate-the-city-and-twin-it-with-paris-1.703307>.
  - 5 “The National Framework Document for a Unified Iraqi Policy”, Iraqi Presidency, June 18, 2018, [https://www.presidency.iq/EN/Details.aspx?id=1441&utm\\_campaign=20190712&utm\\_source=sailthru&utm\\_medium=email&utm\\_term=Daily%20Newsletter](https://www.presidency.iq/EN/Details.aspx?id=1441&utm_campaign=20190712&utm_source=sailthru&utm_medium=email&utm_term=Daily%20Newsletter).
  - 6 “The Face: Haifa Aljeda, international relations professional”, *Arab News*, July 13, 2018, <http://www.arabnews.com/node/1337971/saudi-arabia>.
  - 7 Adel Saleh Rawea and Shabana Urooj, “Strategies, Current Status, Problems of Energy and Perspectives of Yemen’s Renewable Energy Solutions”, *Renewable and Sustainable Energy Reviews*, vol. 82, Part 1, February, 2018, pp. 1655–1663.
  - 8 “Yemeni Minister: \$28 Billion Needed for Short-Term Reconstruction Plans”, *Asharq Al-Awsat*, May 10, 2019, <https://aawsat.com/english/home/article/1716141/yemeni-minister-28-billion-needed-short-term-reconstruction-plans>; “Reconstruction and Recovery in Yemen: Recommendations from the Development Champions”, Sana’a Center for Strategic Studies, April 9, 2019, <http://sanaacenter.org/publications/main-publications/7296>.

terms. Most people are still employed by the public sector and youth unemployment remains high, as do fertility rates.

But overall, the Gulf has recovered from the tumultuous years following the Arab Spring. In 2022, on the occasion of the FIFA World Cup in Qatar, Muhammed bin Salman (then still the crown prince) attended the event, demonstratively hugging Emir Tamim bin Hamad al Thani (another ‘young’ Arab leader) in the VIP area in Lusail stadium. Although it was never quite clear how the states set aside their differences from 2017, business simply returned to normal in the aftermath of the first match.

Of course, the World Cup was followed with particular interest in the region not just because of its location, but because four Arab states were playing – Egypt, Tunisia and Morocco had qualified, and Qatar, as the host, automatically played, too.

Algeria’s team narrowly missed out on qualification – a source of great frustration for its fans, but a relief to the organisers in Qatar who were anxious about the possibility of riots, which could have had regional ramifications. Since the spring of 2019, Algeria’s youth (and its football fans in particular) had kept up the pressure on the national unity government to implement reforms, particularly in the economic sphere. After a transition period, Algeria finally held municipal elections in early 2021, followed by the election of a committee tasked to review the constitution. In the meantime, reforms in the labour market, the energy sector and in tertiary education began to bear fruit: by 2030, 80% of Algeria’s oil sites had been solarised.<sup>9</sup> The ‘Algerian way’ was hailed as an example for orderly political transition, but it came with its own challenges: demonstrators, particularly football fans, regularly accused the government of ‘hijacking’ political change. Although this disrupted the economy and

created instability both on- and offline, protests remained non-violent.<sup>10</sup>

Libya’s instability had taken a toll on the entire region. Following a peace deal in 2020, Libya’s different armed groups committed to a set of principles according to which security should be managed. This reduced violence and crime (although the militias still resorted to torture and intimidation) and created a stable enough environment for elections, finally held in late 2021. The presidency, consisting of a president and his two deputies, managed to embark on some substantial infrastructure projects to repair the damage and increase oil output. Although Libya still faces crucial governance challenges (particularly when it comes to security, education and health care), the worst appears to be behind it. Its leadership also holds regular exchanges with representatives from Tunisia, Algeria and Egypt.

With Tunis heading towards the 20th anniversary of the Arab Spring, it is taking stock of its democratic experience. After the painful reforms of the 2020s, it has finally begun to feel the positive effects, particularly in terms of youth unemployment; its innovation success story – the app *Walla* – created important momentum for reducing red tape and generating funding opportunities for young entrepreneurs. By 2025, terrorism was considered all but eradicated in Tunisia – a regional trend, since the appeal of Islamist entities such as Daesh or al-Qaeda, as well as the Muslim Brotherhood, had waned. En-Nahda, still one of the three biggest parties, has developed its own brand of Islamism combining conservative values with a commitment to democracy – an accurate reflection of how the majority of the population now feel.

In Egypt, where President Sisi is still in power, the decline in support for political Islam finally led to the successive release of political prisoners from 2025 onwards. Satisfaction with

9 Boris Ngounou, “Algeria: Oil sites, 80% solarised by 2030, will continue to be extracted”, *Afrik21*, December 3, 2018, <https://www.afrik21.africa/en/algeria-oil-sites-80-solarised-by-2030-will-continue-to-be-extracted/>.

10 Felix S. Bethke and Jonathan Pinckney, “Non-violent resistance and the quality of democracy”, *Conflict Management and Peace Science*, (early online view), doi.org/10.1177/0738894219855918.

the government has also improved thanks to new jobs in the energy sector and some shiny infrastructure projects. Yet Egypt now has to brace itself for important losses in the tourism industry thanks to climate change, which has made it less attractive as a destination. For the time being, technology, especially Artificial Intelligence (AI) seems to be the government's solution to offset economic losses.

Young, connected people maintained pressure on governments throughout the region. Saudi Arabia, for instance, witnessed its first ever (and peaceful) demonstration in 2023. Led by environmental activist Majdah Aburas, the chairwoman of the Saudi Environmental society who quickly became a social media icon, the march against climate change brought Riyadh to a standstill.<sup>11</sup> In large part this was motivated by the worsening conditions in which the annual Muslim pilgrimage was taking place: the waste left behind, as well as the heat made the experience an increasingly unpleasant one. That year, the app 'Green Hajj', a long time in the making, finally secured government funding.<sup>12</sup>

Elsewhere, Tunisia was by now used to the regular expression of popular opinion in the form of protests. But their non-violent nature reduced their destabilising effect, something which was perhaps helped by the fact that local politics had grown in importance across the region since 2020 – this provided a vent for popular anger and allowed for more accountability and interaction between citizens and governments.

Along with this newfound regional stability, climate change turned out to be the great change promoter across the board, be it in the energy sector, general economic diversification or even in infrastructure terms: the proliferation of carbon-neutral cities and towns

modelled after the Emirati Masdar City helped address some of the worst housing and infrastructure challenges facing Cairo in particular, but also Amman and Beirut. Modern technology helped many states in the region to leapfrog into the next phase of industrialisation, thereby leaving old ways behind and gearing up for the challenges posed by climate change. Following the advances in power-to-X technology energy storage and development of a regional trend in favour of renewable energy, the idea of the Desertec project (connecting Europe to a North African power grid) returned as a serious possibility.<sup>13</sup> Since 2023, the region has embarked on a massive volte-face in energy terms: determined to become the world's 'solar powerhouse', it aimed to replace fossil fuels entirely by 2050. This has two important geostrategic consequences: first, it will diversify the region's client base (which by now is mostly in Asia); second, it reduces the importance of the region's shipping lanes which had been a major source of tension in the past. Saudi Arabia in particular was keen to create some distance with Beijing due to the latter's suppression of its Muslim minority and military base in Djibouti, which Riyadh viewed with some concern. This weariness did not impede, however, the strong trade ties and economic activities that had emerged in the context of the Belt and Road Initiative (BRI).<sup>14</sup>

After deadly floods struck downtown Beirut in 2021, the region's citizens entirely changed their hitherto blasé attitude towards climate change. Thankfully, improved disaster management mechanisms and even more cross-border cooperation is helping in this regard.

All in all, prospects for regional cooperation have never been as good as now: following the rapprochement of Iran and Saudi Arabia and the settling of the Qatar crisis, King Muhammed

11 Khawla Al-Kuraya, "These Saudi Women Prove That There is Nothing Stopping Them", *Vogue Arabia*, June 4, 2019, <https://en.vogue.me/culture/these-are-the-saudi-women-proving-that-there-is-nothing-stopping-them-today/>.

12 Remona Aly, "With hajj under threat, it's time Muslims joined the climate movement", *The Guardian*, August 30, 2019, <https://www.theguardian.com/commentisfree/2019/aug/30/hajj-muslims-climate-movement-global-heating-pilgrims>.

13 Florian Zickfeld and Aglaia Wieland, "Desert Power 2050: Perspectives on a Sustainable Power System for EUMENA", DII, Munich, 2012, <https://dii-desertenergy.org/publications/desert-power-2050/>.

14 Talmiz Ahmad, "China's Belt and Road Initiative embraces the Middle East", *Arab News*, April 19, 2019, <http://www.arabnews.com/node/1484966>.



bin Salman openly called for a substantial review of the League of Arab States (LAS), including a revision of its charter. This led to some visa liberalisation, as well as a conflict prevention mechanism. In the end, the ‘withdrawal’ of the United States from the region, and the declining influence of Europe turned out to be an opportunity which was seized by the MENA – perhaps assisted by the fact that Beijing showed no interest in stepping up its interventions.

Regional stability is helped by the fact that the situation in Syria, too, has calmed. Forced by Russia and encouraged by Iraq, Syria’s President Bashar al-Assad called for a national reconciliation conference in 2022; although boycotted by several opposition groups, it was still perceived to be a genuine attempt at change. By 2023, Syria had, once again, changed its constitution, and large-scale reconstruction began. In 2030, it finally managed to return to pre-war gross domestic product (GDP) levels, with 50% of refugees also having returned, bringing Syria’s population back to 29.5 million.<sup>15</sup> That said, Syria’s energy and defence sectors are now entirely under the control of Moscow, something which has led commentators to sarcastically dub it the ‘Costa del Crim’. Its neighbours, Lebanon and Jordan, are those who benefit the most from the renewed stability: the refugee burden has been eased,

and the prospects for a ‘Levant Union’ (a free trade and customs union) are finally beginning to brighten.<sup>16</sup>

Although Israel and Saudi Arabia finally established diplomatic relations (culminating in a historic personal visit by the Saudi king), which allowed for substantial infrastructure projects in the Palestinian territories, there has been no breakthrough in the establishment of a Palestinian state. Moreover, neither Israelis nor Palestinians feel particularly at peace: the ‘digital intifada’, a hacking movement designed to disrupt Israeli services and infrastructure, is now in its fourth year and appears impossible to put an end to.

Overall, the region has made some important progress on different governance indicators: youth unemployment has begun to fall for the first time since 1990 and now stands at 24%; the private sector is growing, especially thanks to innovations in the digital, energy and technological sectors, and security has improved. Although food import dependency remains high, almost all Arab states have taken precautions to shield their populations from price shocks resulting from climate events. After two decades of painful transformation, the Arab future finally looks like a promising one.

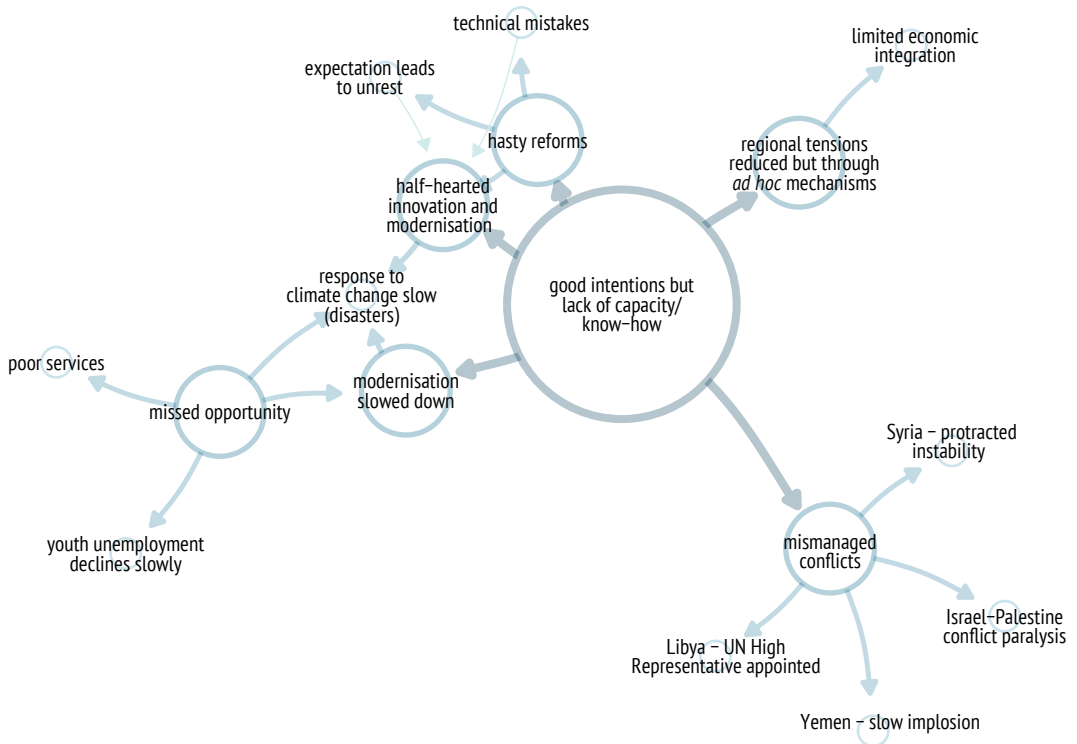
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15 “Projected Economic Growth Inside Syria (2010–2030)”, Chatham House, March 7, 2019, <https://www.youtube.com/watch?v=zYgqpNNSUsg>; Chatham House, “Population Inside Syria (2010–2030) – Scenario 3”, March 7, 2019, <https://www.youtube.com/watch?v=q93OpmVkwVQ>.

16 Frederic Chemaly, “The Untapped Potential of a Levant Union”, Middle East Institute, July 11, 2019, <https://www.mei.edu/publications/untapped-potential-levant-union>.

# SCENARIO 2 – TRIAL: BACK TO THE FUTURE

This scenario is named after the trilogy of films first released in 1985, particularly its second instalment, which highlights the sequencing of errors and consequences. As much as this 2030 scenario starts from the assumption that regional leaders will initially take some poor decisions to meet the challenges ahead, not so much out of bad intent but because they lack either capacity or knowledge. Recognising the consequences of their choices, they will be able to rectify some, but not all of them.



It was in the summer of 2025 that Saudi Crown Prince Muhammed Bin Salman finally had to admit to himself that the war in Yemen was simply a bad idea. Seven years after the war had first begun, the Houthis' military capability might have been reduced, but their political clout remained strong – and the overall damage to Saudi Arabia's reputation put its regional leadership claims into question and restricted its access to European arms markets. The war had set Yemen back by 26 years in development terms and cost the lives of 482,000 people. For elites in Riyadh, it had shown the limits of what the new Saudi leadership could achieve. As a result, domestic resistance against proposed societal changes began to grow; a power struggle between the monarchy and the clerics had undermined Muhammed Bin Salman's ascent to regional superstar – that, in addition to repeated clashes with Iran's navy. He decided it was time to reassess his trajectory.

By the time reconstruction efforts were finally underway in Yemen, climate change had further damaged its infrastructure, service provision and political stability. Food was scarce, water polluted and electricity erratic. Sana'a was approaching the end of its groundwater, while heatwaves stifled what little private sector activity remained. Despite large-scale assistance, Yemen is struggling hard to recover from the war and to address the myriad of other challenges it had long faced. Saudi Arabia is determined to turn Yemen into a success story, but it faces not just financial and political issues – it is now racing against time thanks to climate change.

At the same time, the crown prince recognised that the kingdom's constant bickering with Iran was beginning to cost it politically, as well as economically. Fluctuating oil prices were a problem in itself, but endemic instability meant that a number of Saudi Arabia's Vision 2030 elements were slowed or halted altogether. After several summers of escalation (including a naval standoff in the Strait of Hormuz), Riyadh

had to accept that there would be no military solution to its geopolitical rivalry. A first attempt at dialogue via the United States failed largely thanks to the White House's clumsiness and lack of clout in Tehran; a second attempt, including Iraq, the European Union (EU) and China, led to a series of backdoor conversations which produced an international conference for confidence-building measures in the Gulf. While not entirely convinced of the initiative, the crown prince went along with it nonetheless.

Although none of the region's multilateral organisations had played a role, this still had some positive impact on regional relations: instead of creating institutions, states decided to settle for the more flexible format of *ad hoc* meetings. This was not the grand regional security architecture repeatedly proposed, but it was still better than the constant possibility of war.

These gatherings also proved to be a creative complement to the Iran nuclear deal, as it allowed for regular mutual visits of regional officials to energy installations. There is timid hope that the integration of Iran into the region will ultimately put an end to its nuclear ambitions. But while hailed overall as an important step towards more peaceful regional relations, Israel is not happy with this development – its ultimate goal of regime change in Tehran and the eradication of Hezbollah in Lebanon remain high on its strategic agenda – even though Hamas has severed ties with Iran and communicates diplomatically mainly via Cairo.

Although Iraq's prime minister received a standing ovation at the Manama Dialogue for his efforts in regional stabilisation, he was heavily criticised for how he had handled the disbandment of the Popular Mobilisation Forces a few years earlier. Initially applauded for the decision to integrate them into Iraq's security sector, this had turned out to be a mistake: once inside the institutions, the militia

leaders managed to establish and expand their power.<sup>17</sup> By 2023, it became clear that Iraq's security sector was once more abusing civilians, wasting resources and committing fraud. It took a Herculean effort (including a large-scale campaign against corruption) to remove the most damaging leaders, but by 2027 it had become clear that the situation was once more under control. Similarly, Iraq's decentralisation programme originally failed to garner local support as it lacked a political dimension; only once local posts were open to direct elections did it finally begin to gain some momentum. It is hoped that this will help Baghdad in particular, which is in a dire state now that it has reached mega-city status: although reconstruction drives helped ease its slumification somewhat, it still faces issues with services and suffers power cuts several times a day.

Well-intentioned decisions had unintended consequences elsewhere, too: in Algeria, the elections of 2019 had led to a highly polarised political landscape, pitting radical reformists against those advocating for progressive change. Within the next five years, Algeria saw three governments fall, thereby losing precious time to deal with important policy files such as mitigating the effects of climate change, energy diversification and, of course, youth unemployment. Because neither digital nor technological opportunities had been leveraged, levels of popular frustration only grew further. By 2024, a new election brought Khaled Hadj Ibrahim to power on the promise of greater stability; his first act was to convene a national dialogue on policy priorities, which delivered a manifesto describing a vision for Algeria in 2035.

In the meantime, Egypt's New Capital had opened in 2025; intended as a means to showcase a modern and sleek Egypt, it turned out to only increase inequality once Cairo was abandoned by the elites.<sup>18</sup> By 2028, the former capital had turned into what the UN Secretary General called "the world's first mega slum". Already

a poverty-stricken hub for drug production and smuggling and terrorist infiltration, the city was then hit regularly by devastating climate change-related disasters. President Sisi finally recognised that leaving Cairo had ultimately created more problems than it had solved. With the help of UN-Habitat (and the financing of the United Arab Emirates (UAE)), he launched a comprehensive urban transformation programme with the aim of making Cairo a sustainable centre for economic activity, innovation and education. It was hoped, too, that this would finally reduce Egypt's endemic youth unemployment rate, which still stood at 27%. Its youth, highly active on social media, regularly organised flash mobs to protest against high food prices, unemployment, and a generally repressive environment. The government eventually acknowledged that its attempts at digital control had been undermined by technological innovations, which allowed citizens to avoid its reach. Sisi, now approaching 70, has decided to accept the limitations of his term and to step down in 2034.

Economic reform and youth unemployment also remained a headache for Jordan; after protests following cuts in subsidies in 2018, Amman decided to delay further reform for as long as possible. Yet in 2021, it faced renewed protests when bread prices doubled within three months, keeping Amman trapped in the subsidy cycle. In the end, Crown Prince Hussein announced in a televised speech the creation of a national compact for economic reform and appealed to the youth to support him in his efforts. Thanks to digital and technological advances, Jordan managed to expand into new fields, hoping to establish itself as the model non-oil economy in the region. Alas, its efforts are being curtailed by the fact that it still cooperates little with Israel. Following the annexation of the settlements in the West Bank by Israel, Amman declared the peace treaty of 1988 null and void – but even before that, cooperation between the two uneasy neighbours

<sup>17</sup> Renad Mansour, "Reining in Iraq's Paramilitaries Will Just Make Them Stronger", *Foreign Policy*, July 9, 2019, <https://foreignpolicy.com/2019/07/09/reining-in-iraqs-paramilitaries-will-just-make-them-stronger/>.

<sup>18</sup> "This is what Egypt's new capital will look like | ITV News", *ITV News*, June 25, 2019, <https://www.youtube.com/watch?v=AwRXsfZoTmo>.

was difficult. The potential for both states to work together, particularly in the technological realm, is substantial, but sadly is going to waste.

Jordan was helped by the fact that an end to combat operations in neighbouring Syria facilitated the return of around 20% of refugees.<sup>19</sup> The comparatively low number of returnees was due to the fact that there was still no prospect for large-scale reconstruction given the continuation of a low-level insurgency and the regime's unwillingness to change. Only in 2025, five years after the official end of the war, did Bashar al-Assad allow a revision of the constitution and European assistance in the reconstruction effort. In return, he had to accept the return of more refugees in the north. His decision was, in part, due to the reduced influence of Russia; although still very much present, Moscow's stagnating economic situation, its entanglement in Ukraine and the declining appeal of President Putin significantly curtailed its ability to support the regime in Damascus. Because Russia is no longer there in force, the 'Islamic Alliance' (a merger of Daesh and al-Qaeda), while reduced in strength, has a territorial base from which to launch its attacks – alongside Syria, Libya, Iraq and Egypt remain its main area of operations.

In Libya, more than one opportunity for peace had been missed since 2020. The 'Lebanonisation' of its territory meant President Haftar had little say over what happened on the ground. Within a few years, he had gone from the 'only hope Libya has' to a powerless leader without a capital, with Tripoli no longer under his control. When Libyan militias hijacked an oil tanker and accidentally sank it, the environmental catastrophe led to

a public outcry which paved the way for international action. Within three months, Libya had become an international protectorate under the auspices of a United Nations (UN) High Representative, and saw the deployment of a blue helmet contingent from Pakistan.

Across the region, youth unemployment is still high at 26%, but governments were seen, according to the Arab Youth Survey 2028, as more responsive than they used to be – perhaps in part because of constant public pressure by 'Generation 2011', a more unrestful and demanding political cohort than seen in the past. Although most Arab states are still not fully democratic, they have nevertheless improved, at least to some extent, on their governance performance: be it electricity supply, waste management or infrastructure repair, citizens are overall sufficiently satisfied with the services they receive. Egypt, for instance, has managed to digitalise most of its public services, reducing red tape and speeding up procedures.

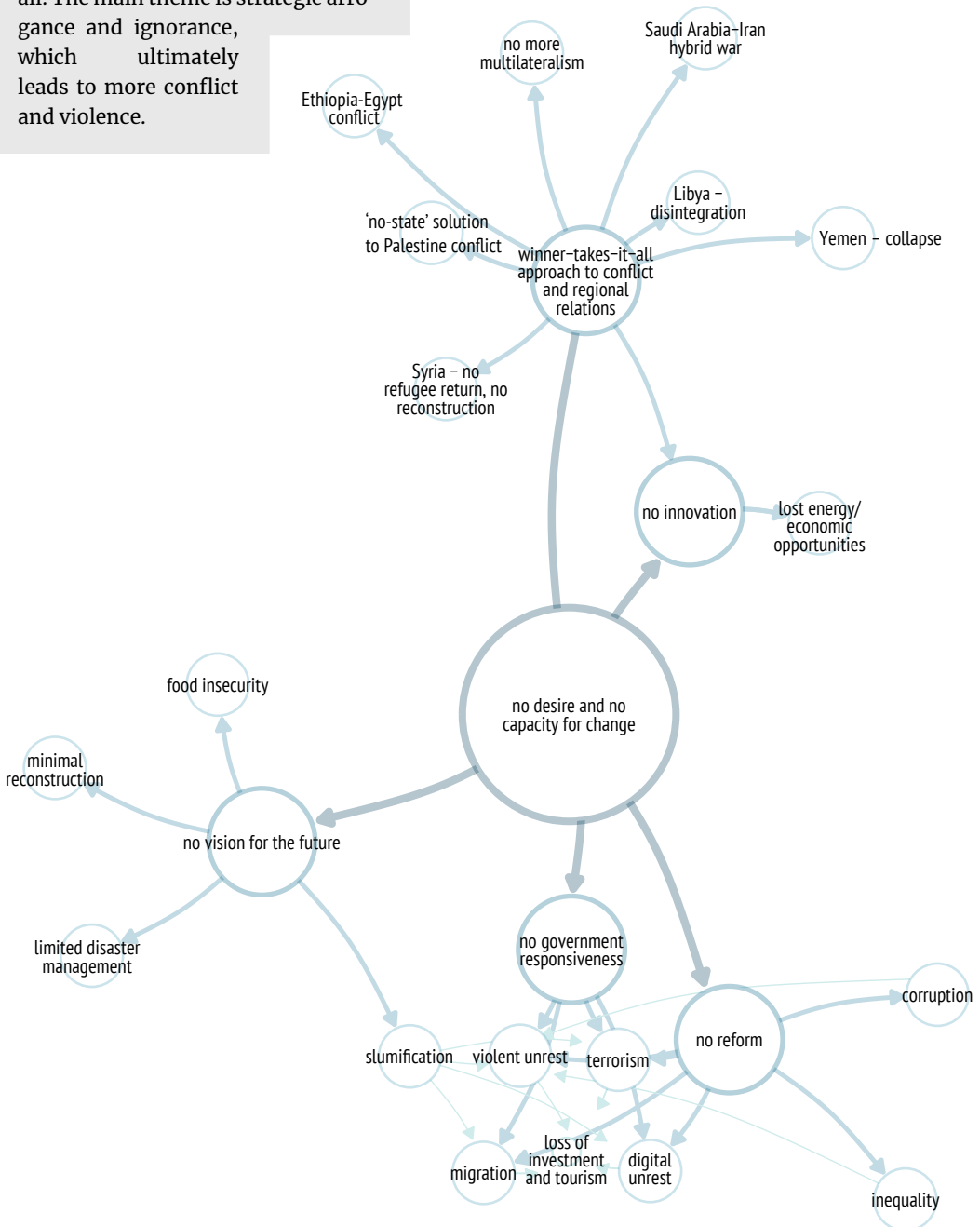
Alas, states failed to respond early to climate change and its consequences: timid first measures were taken to manage disasters and speed up energy diversification. Some visionaries began to think about the region as a global solar power, but it is not clear whether the lost time can be made up: other states, especially in Europe, have used the last decade to advance technology further and diversify their energy sources away from the region. Although it is not being felt yet, this means that the region has lost geostrategic importance for Europe and is successively being replaced by Asia. While many felt time had been wasted, it nevertheless seemed that the region was finally on track towards a better future.

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<sup>19</sup> "Population Inside Syria (2010–2030) – Scenario 2", Chatham House, March 7, 2019, <https://www.youtube.com/watch?v=CXahbVjk9EE>.

# SCENARIO 3 – DENIAL: THE EMPIRE STRIKES BACK

This scenario is named after the 1980 instalment of the Star Wars series. It presents a situation in 2030 where Arab decision-makers have overestimated the defeat of their political opponents. As a result, they have implemented reforms only half-heartedly or not at all. The main theme is strategic arrogance and ignorance, which ultimately leads to more conflict and violence.



Egypt's New Capital had been inaugurated just three years earlier, but already it started to show signs of shoddy construction work.<sup>20</sup> Envisaged as the shiny new symbol of Sisi's Egypt, it now seemed to suffer the same fate as the 20 other desert city projects launched since the times of Nasser – not just in terms of poor infrastructure, but also in terms of a lack of inhabitants. With climate change exacerbating already hostile desert conditions, the project lacked investors and suffered from rushed construction work. As it was built like an American suburb and spread over a wide area, a car was needed to cover the large distances. Lacking employment, affordable housing or recreational spaces, the New Capital did not even come close to the planned population of 6.5 million – barely 1 million relocated to the city 45km from Cairo, turning it into a civil servant gated community protected from the endemic heat, slums and poverty of the former capital.<sup>21</sup>

But President Sisi remained upbeat: he had four more years in office and his son Mahmoud had been groomed to become his successor.<sup>22</sup> The International Monetary Fund (IMF) had just commended Egypt for its GDP growth and reduction of unemployment – but remained silent on the stubbornly high level of youth unemployment (30%), the gaping levels of inequality, rampant corruption, the towering role of the military in the economy, aggressively shifting food prices and the stifled growth of the private sector. Even though Egypt had made some progress in the digital and energy sector, economically it was treading water.

The country's youth, still highly active on social media (most notably on Risaala, the Arab equivalent of Telegram, which reduces the likelihood of government snooping), repeatedly attempted to express discontent on the streets.

But since the 2024 massacre in Tora prison, fear had pushed most discontent underground – often into the arms of Wilayat Sinai, Daesh's Egyptian outlet.<sup>23</sup> Since the expulsion of Daesh from Iraq in 2020, the group had empowered its regional outlets in order to regain strategic importance, particularly in Egypt, but also in Libya, Yemen and the Sahel. Wilayat Sinai had inherited its capacity to attract recruits (from Egypt, Saudi Arabia, Tunisia and Jordan), with about 5,000 men believed to be under its command. Their repeated attacks on tourist hotspots led to the establishment of a string of security checkpoints in the Sinai and parts of Cairo, stifling the economy and scaring away the few tourists that still visited Egypt despite the scorching temperatures. According to intelligence reports, there was at one point even an entire district in Cairo under the control of the organisation (calling itself 'Baladiya Qahera'), with the group running courts and local services. In order to combat the group's online presence, the Egyptian government further stifled internet freedoms. Yet this merely displaced the propaganda and had the knock-on effect of suffocating the little economic activity that took place there. Terrorists no longer used YouTube or Facebook (with the latter now often referred to as the 'nursing home of social media'), preferring platforms such as Risaala, Reddit, or even Instagram, on which pictures served to communicate messages in code. In addition, sabotage has made a comeback as a form of both political protest and terrorism: the derailing of trains, the cutting off of water and electricity, and the piling up of refuse in public spaces is designed to fuel anger among Egypt's population, with some success.

Despite Daesh's expanded presence, Egypt's military was more focused on Ethiopia thanks to the 'water war' which had begun two years

20 Aidan Lewis and Mohamed Abdellah, "Egypt's new desert capital faces delays as it battles for funds", *Reuters*, May 13, 2019, <https://www.reuters.com/article/us-egypt-new-capital/egypts-new-desert-capital-faces-delays-as-it-battles-for-funds-idUSKCN1S101>.

21 Rod Sweet, "Desert dreams: Poor prospects for Egypt's brand new capital", *Global Construction Review*, March 28, 2019, <https://www.globalconstructionreview.com/perspectives/desert-dreams-poor-prospects-egypts-brand-new-capi/>.

22 "Sisi appoints sons in key roles to 'protect his throne'", *Middle East Monitor*, July 23, 2018, <https://www.middleeastmonitor.com/20180723-sisi-appoints-sons-in-key-roles-to-protect-his-throne/>.

23 Amy Woodyatt, "Egypt's Prisons Are Becoming Recruiting Grounds for the Islamic State", *Foreign Policy*, April 8, 2019, <https://foreignpolicy.com/2019/04/08/egypts-prisons-are-becoming-recruiting-grounds-for-the-islamic-state/>.

earlier.<sup>24</sup> Following the construction of the Grand Ethiopian Renaissance Dam in 2011, Addis Ababa and Cairo clashed repeatedly over water; but after Chinese-led negotiations broke down in 2028, things came to a boil. The Egyptian military was in a strong position since the boosting of its naval capabilities ten years ago (especially the Gamal Abdel Nasser helicopter carrier) and an agreement with the UAE to host 20,000 troops at its base in Eritrea. To coerce Addis Ababa back to the negotiation table, it relied mainly on air power, striking military installations just across the border. Its room for manoeuvre was considerably constricted by Ethiopia's air defence system, however, so it was suspected of employing hybrid methods, too (such as an attack on Addis Ababa's electricity grid).<sup>25</sup> While casualty rates remained low, Egypt's military action did not succeed in forcing Ethiopia to negotiate – and there is still no solution (and certainly no military victory) in sight.<sup>26</sup>

While Egypt's military remains preoccupied with Ethiopia, it is struggling to maintain security along its border with Libya. Although Libya's leaders had finalised a peace deal in 2020 and elected Khalifa Haftar as president, security remained in the hands of lawless armed groups. Libya had *de facto* fractured into a collection of statelets profiting from oil revenues and illegal migration, with terrorist networks nestled among them. The hijacking of an Alitalia airliner at Tripoli airport in late 2028 only confirmed what some had feared for a while: that Haftar was not able to deliver on his promises of security. But the international – and especially European – appetite to resolve the problem was low, and once the aircraft was freed, containment was seen as the answer to the 'Somalia on the Mediterranean' as it was now dubbed.

Algeria, too, has just recovered from several years of protracted unrest that followed the military seizure of power in 2023. Although it was not strictly speaking a coup – elections had been held which saw Toufik Ben Salah, a former officer, gain the majority of votes – the public was convinced of foul play. When Ben Salah refused to stand down, Algeria witnessed protests which lasted several months and turned violent more than once. Things were made worse when Ben Salah ran – and won – again in 2028; but by then, the mass emigration of young Algerians had considerably depleted the pool of frustrated citizens. Algeria made next to no progress on energy diversification and saw its exports dwindle as Europe relied more and more on renewable energy. Algiers is now running out of time to turn things around before it loses its main source of income.

Bashar al-Assad, too, had embarked on his post-war mandate in the belief that the defeat of the opposition meant that no real reform was necessary. As a result, terrorism, guerrilla attacks and sabotage had become the norm; investors were in short supply and despite Russian support, reconstruction efforts were slow – Moscow itself faced a multitude of domestic and economic challenges, and once its relations with Iran turned frosty, its influence in Syria was reduced. Perhaps it is only natural that a mere 1% of refugees have returned: Syria might no longer be at war, but it is not at peace.<sup>27</sup>

In neighbouring Lebanon, where Syrians had endured a limbo-like status for nearly twenty years, the situation became untenable – particularly in Beirut, where a large number of refugees had settled in slums. A storm in winter 2027 led to a catastrophic flash flood,

24 "Egyptian military to prepare for any eventuality regarding water dispute with Ethiopia", *Tigrai Online*, August 22, 2019, <http://www.tigraionline.com/articles/article110421.html>.

25 "UAE-backed Egyptian forces arrive in Eritrea", *Middle East Monitor*, January 4, 2018, <https://www.middleeastmonitor.com/20180104-uae-backed-egyptian-forces-arrive-in-eritrea/>.

26 Stephen A. Cook, "Is War About to Break Out in the Horn of Africa? Will the West Even Notice?", Council on Foreign Relations, January 16, 2018, <https://www.cfr.org/blog/war-about-break-out-horn-africa-will-west-even-notice>; Ahmed Eleiba, "Looking south: The expansion of Egypt's naval operations", *Ahram Online*, January 15, 2017, <http://english.ahram.org.eg/NewsContent/1/64/255116/Egypt/Politics-/Looking-south-The-expansion-of-Egypt%E2%80%99s-naval-opera.aspx>.

27 "Population Inside Syria (2010–2030) – Scenario 1", Chatham House, March 7, 2019, <https://www.youtube.com/watch?v=4z0ppYFN2nU>.



causing the deaths of more than 500 Syrians and Palestinians in refugee camps – at least in part because Lebanese disaster management services were slow to react. This, combined with the generally hostile environment, led several thousand Syrians to attempt to flee on dinghies to Turkey and Cyprus – an event covered in real time by the world’s media.

But it was Yemen where the suffering was most acute. The war had come to an end in 2030 at the cost of 1.8 million dead, \$657 billion in damages and three-quarters of the population living in extreme poverty.<sup>28</sup> Compounding the dire situation, the effects of climate change are already being felt: earlier than predicted, Sana’a will run out of water later this year. Although Saudi Arabia and the UAE have embarked on an extensive reconstruction programme, it will take 39 years to return to the human development levels of 1991. Given the misery, it is no surprise that piracy off the Yemeni coast has seen a five-fold increase over the last decade.<sup>29</sup>

Riyadh also has other concerns: the conflict with Iran, now in its 8th year, consists of hit-and-run attacks on tankers and energy infrastructure, disinformation and cyber-attacks. At a minimum, this has hurt both players in economic terms as China, already well on its way to diversifying its energy sources, had yet another reason to reduce ties with the notoriously unstable region.<sup>30</sup> The conflict also damaged Saudi Arabia’s claim to regional leadership, visible in the fact that its outreach initiative to Israel went unfollowed by other states in the region. Meanwhile, the UAE has managed to almost outshine Saudi Arabia despite its modest size thanks to a global rebranding as an eco-power and an early withdrawal from Yemen (its role in Libya has diminished its standing somewhat, though). Within Saudi Arabia, regional politics also slowed the momentum for domestic reform that had followed the release of Vision

2030. Youth unemployment was still over 30%, obesity on the rise and terrorist attacks (conducted both by the Houthis and al-Qaeda) had become an almost monthly occurrence – more than just a nuisance despite low levels of lethality.

Things were not helped by the lobotomised state of the Gulf Cooperation Council (GCC): although never formally disbanded, the Council had all but ceased to operate, while the Qatar crisis had become the longest aerial blockade in history. Along with the LAS and the Arab Maghreb Union, the GCC had become the third multilateral organisation to become inoperative in the region.

In Iraq, the situation looked bright at first following the defeat of Daesh. But by 2025, the government struggled in the face of multiple crises: although infrastructure repair had improved energy facilities, regular power shortages led to public protests when temperatures reached 60 degrees in the summer. In what later became known as the ‘heat wave’, citizens staged mass protests in cities across the country, ultimately toppling the government – and leading to the election of Muqtada al-Sadr as Iraq’s prime minister. Although he originally embarked on impressive reform attempts, a comeback by Daesh diverted attention and resources; his government, too, fell within two years.

Tunis, Rabat and Amman faced similar challenges to Baghdad but had to be more creative in finding solutions due to their weaker financial situations. After dragging their feet on reforms for years, they were finally forced to act in 2028, when region-wide violent mass demonstrations once again erupted. Yet despite popular anger, the prospects for fundamental change remain bleak.

28 Jonathan D. Moyer et al., “Assessing the Impact of War on Development in Yemen”, UN Development Programme, 2019, <https://reliefweb.int/report/yemen/assessing-impact-war-development-yemen>.

29 Eliza Richardson, “Threat of Piracy Heightened Off Somalia and Yemen”, *Fair Observer*, December 18, 2017, <https://www.fairobserver.com/region/africa/piracy-risk-somalia-yemen-latest-world-news-headlines-54540/>.

30 Dominic Dudley, “China Is Set To Become The World’s Renewable Energy Superpower, According To New Report”, *Forbes*, January 11, 2019, <https://www.forbes.com/sites/dominicdudley/2019/01/11/china-renewable-energy-superpower/#5217282d745a>.

## CHAPTER 2

# AGENTS OF ARAB CHANGE: THE CATALYSTS

Despite their fictional nature, all three scenarios outlined are the result of a specific horizon-scanning exercise. This exercise helped identify trends that we are unlikely to be able to change by 2030, as well as elements that are agents of change. Some of these we will be able to influence, others less so – but what they have in common is that they either accelerate or decelerate change in the region. It is for this reason that they are called, as in chemistry, catalysts. Catalysts are not in themselves a trend, since they contain a much larger element of uncertainty – instead, they are those areas in foresight with the greatest number of potential trajectories. They are also the elements where human action, or inaction, will have the largest impact.

In the Middle East and North Africa, we identified seven catalysts that will have strategic implications:

- > the way climate change is (mis)handled;
- > how urbanisation is (mis)managed;
- > how economies are diversified (or not);
- > how governance improves or deteriorates;
- > whether or not regional relations deepen or fragment further;
- > how young Arabs will shape attitudes towards crucial issues;
- > how conflicts are solved – or not.

## RINGING THE ALARM: WAKING UP TO CLIMATE CHANGE

As is the case for the rest of the world, the Middle East and North Africa will have to manage climate change – but it is currently not deemed a priority for the governments in the region. Regional states see climate change as something caused by industrialised nations and it is therefore not a policy priority. However, this perception that the region is solely a victim of, rather than a contributor to, the problem is incorrect:<sup>1</sup> Since the 1990s, its CO<sub>2</sub> emissions have increased exponentially, ranking only second behind China in terms of growth. Not only that, since the late 1970s the region has lived above its ecological means, using up natural resources at about twice that of the biocapacity.<sup>2</sup> By 2020, Saudi Arabia will rank 8th on the global list of top emitters (ahead of France and the United Kingdom), while the UAE, Egypt and Iraq will feature in the top 30. As a whole, the Middle East and North Africa will reach the same level as the European Union in terms of CO<sub>2</sub> emissions in the mid-2020s.

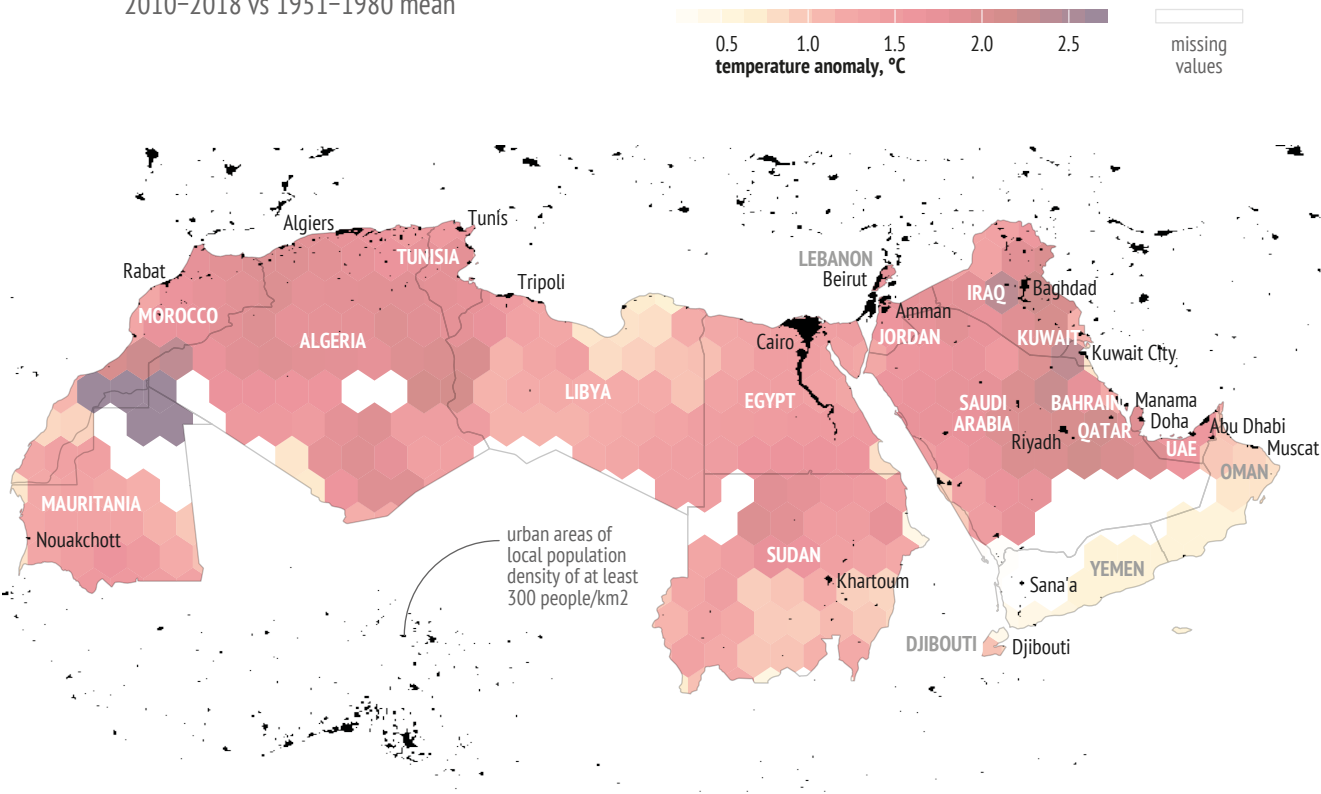
Even though some progress has been made when it comes to public awareness-raising, there is still some way to go – according to one

1 Karim Elgendy, 'Climate Change in the Middle East and North Africa: Carbon Emissions', *Carboun*, December, 2017, <http://www.carboun.com/infographics/climate-change-in-the-middle-east-and-north-africa-carbon-emissions/>.

2 Op.Cit., "Health and Ecological Sustainability in the Arab World".

### It's getting hot

summer (May–Oct) temperature anomaly  
2010–2018 vs 1951–1980 mean



Data: Natural Earth, 2019; European Commission, 2019; NASA, 2019

poll, only 26% of millennials in the GCC considered acting against global warming to be among their top three priorities for the future.<sup>3</sup> According to respondents in regional polls, climate change does not even feature in the top 10 obstacles the region faces. That said, publics in the region could yet become a driver for change when it comes to the mitigation of climate change effects and a reduction in CO<sub>2</sub> emissions, but also in the energy sector (see more on this in chapter 4.6) and other policy areas.

At the moment, this perceived lack of urgency is also felt in the disaster risk management systems prevalent in the region. Although Arab states committed to the Arab Strategy

for Disaster Risk Reduction 2020 back in 2012, progress has been uneven. Some progress has been made in Algeria, Egypt, Lebanon, Morocco and Yemen – all now have dedicated units in their governments – but the advances have been slow and uncoordinated at both strategic and operational levels.<sup>4</sup> It is safe to assume that Yemen’s unit has been rendered dysfunctional due to the conflict and that neither Syria nor Libya are equipped to handle one of the many disasters that are likely to strike soon.

To make matters worse, disasters will have even more devastating effects in urban centres that are growing without proper planning: poor infrastructure will not withstand flash floods,

3 “Infographic: 92% of millennials in the GCC believe climate change is a real threat”, YouGov, January 17, 2017, <https://mena.yougov.com/en/news/2017/01/17/92-millennials-gcc-believe-climate-change-real-thr/>.

4 Op.Cit., “Natural Disasters in the Middle East and North Africa”, pp. 2–3.

extreme heat or storms. Even if certain municipalities are aware that there is a problem, they may still lack the plans or resources to respond to a crisis.

In addition, the region has taken very few steps to reduce carbon emissions, thereby exacerbating the long-term projections related to climate change. The measures of the region's biggest polluter, Saudi Arabia, to curb emissions have been assessed as 'critically insufficient' (meaning that at the current rate, its emissions will contribute to a warming of more than 4 degrees). The UAE is doing only marginally better, with measures designed to cap warming at 3-4 degrees.<sup>5</sup> The only state which reached the status of 'compatible' with the Paris Agreement is Morocco.

Arab states will also have to anticipate the effects of climate change on food production and prices. In order to combat food price rises, Arab states could increase domestic production, for example, investing in productivity and intensification of farming, particularly through irrigation. Studies show that a 25% increase in yield would increase the Arab region's self-sufficiency ratio from 34% to 41% by 2030.<sup>6</sup> However, this will not be possible without governments embarking on a long-term strategy and avoiding environmentally or economically unsustainable quick fixes such as seawater desalination or deep well groundwater extraction. There is, however, little evidence in the region of such long-term thinking.<sup>7</sup>

Alternatively, governments can invest in other countries so as to gain direct access to food

supplies. Saudi Arabia and the UAE have taken some steps in this direction, investing in food production in more fertile regions such as in Sudan, although this has not been without controversy given Sudan's own poor level of food security.<sup>8</sup> Yet this option, while favoured by some GCC countries, will not be viable for many others.

Finally, climate change will also make existing disagreements worse. Ethiopia's decision to build a dam on the Blue Nile is already creating tensions with Egypt, which is set to face water shortages from 2025.<sup>9</sup>

## What does this mean?

- > Raising public awareness of climate change in both societies and governments is the first step to introduce the necessary reforms. Climate diplomacy could play a role in this.
- > As other world regions are gearing up for the energy transition to address climate change, regional fossil fuel exporters will face serious issues in adapting. This especially concerns Algeria, Iraq, Libya, Egypt, Yemen, Syria and Sudan.<sup>10</sup> Anticipating this change will help avert severe crises.
- > Cities such as Cairo, Baghdad and Beirut will become the sites of climate crises – their municipal administrations are currently not involved in what little climate change preparations are underway.

5 See Saudi Arabia and UAE, *Climate Action Tracker*, <https://climateactiontracker.org/countries/>.

6 Op.Cit., "Climate Change and Disaster Risk Reduction in the Arab Region", pp. 113-114.

7 Ibid., p. 115.

8 Ibid., p. 88.

9 "The 'water war' brewing over the new River Nile dam", *BBC News*, February 24, 2018, <https://www.bbc.com/news/world-africa-43170408>.

10 "A New World: The Geopolitics of the Energy Transformation", IRENA, 2019, <http://geopoliticsofrenewables.org/report/redrawing-the-geopolitical-map>.

## PREVENTING 'SIN CITY'

Unfortunately, the region is set to lead to the rise of the 'Sin City'<sup>11</sup> if no precautions are taken. This will be the result of the multiple pressures on municipal authorities: increased migration from the countryside, heat, increased demands for electricity, transport, water and waste management, a rapid expansion of poor housing and a proliferation of weapons since the early 2000s will almost inevitably result in violence and unrest in cities like Cairo, Baghdad, Beirut, Sana'a and Aleppo.

A number of factors make matters worse: first, local decision-making is generally sidelined in Arab states. This is a missed opportunity for reform and more effective management – not just for municipal aspects, but also when it comes to conflict resolution or prevention, for instance. Cities are not human-centric but, if anything, car-centric: in the absence of undergrounds and trains, roads take precedence over housing, public spaces and other forms of mobility such as bicycles.<sup>12</sup> They are therefore not hubs for innovation, wellbeing and connectivity, but centres of pollution.

Due to the large number of weapons in civilian hands – particularly in Yemen, Libya, Lebanon, Saudi Arabia and Iraq, where 20%–30% of civilians possess small arms – cities in the region are often highly volatile environments.<sup>13</sup> In Iraq, this is the result of the invasion of 2003,

which led to the transfer of at least 4.2 million small arms and light weapons to non-state actors or the wider civilian population, some of which ended up being used in the insurgency and by Daesh. In Libya, more than 15 million weapons ended up in the hands of the population, as well as spreading to as many as 14 countries, including MANPADs (man-portable air-defence systems). In Libya, Syria, Lebanon and Yemen, non-state actors also received weapons from state sponsors, directly or indirectly.<sup>14</sup> That said, poor stockpile management and corruption played an important role in the proliferation of small arms and light weapons, too. Of course, the presence of weapons alone does not cause conflict, but it accelerates it because it can escalate grievances, contribute to insecurity, lead to displacement, and choke commercial activities. Small arms and light weapons in particular are more lethal than often assumed. Of the 49 armed conflicts since 1990, all but three relied on such arms as the only instrument of war. The primary victims of this are not combatants: 59% of people injured by weapons are civilians.<sup>15</sup> Simply due to the population density, urban centres are where these weapons can cause the greatest damage.

But cities are also the most common site for other types of violence, especially terrorism. This was not always so: in the 1970s and 1980s, terrorists struck government buildings, diplomatic missions, airports (and airplanes), but these sites are no longer as accessible as they were then.<sup>16</sup> Urban planners can take precautions to 'terrorism-proof' an area – but in the region, these are normally provisionally set up,

11 Named after the graphic novel by Frank Miller depicting a city suffering extreme weather conditions, high levels of corruption, crime and violence and low levels of economic activity.

12 Joost Hiltermann, "The MENA Region's Intersecting Crisis: What Next?", *Global Policy*, vol. 10, no. 2 (2019), pp. 29–35.

13 Aaron Karp, "Estimating Global Civilian-held Firearms Numbers", *Small Arms Survey Briefing Paper*, June, 2018, <http://www.smallarmssurvey.org/about-us/highlights/2018/highlight-bp-firearms-holdings.html>.

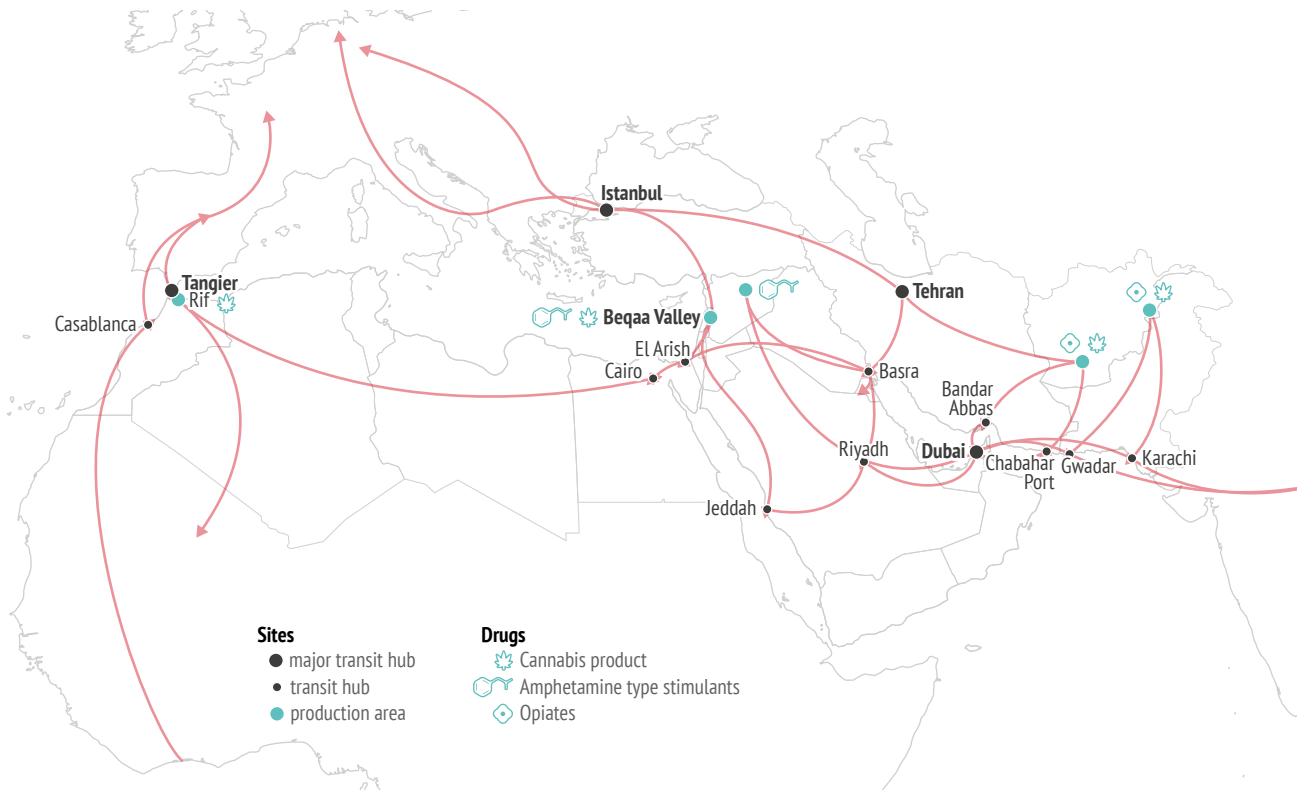
14 Mark Bromley, Giovanna Maletta and Kolja Brockmann, "Arms Transfer and SALW Controls in the Middle East and North Africa: Mapping Capacity-building Efforts", *SIPRI Background Paper*, November, 2018, [https://www.sipri.org/sites/default/files/2018-11/bp\\_1811\\_att\\_mena\\_1.pdf](https://www.sipri.org/sites/default/files/2018-11/bp_1811_att_mena_1.pdf).

15 "Arms Availability and the Situation of Civilians in Armed Conflict", International Committee of the Red Cross, 1999, <https://www.icrc.org/en/doc/resources/documents/publication/p0734.htm>; "Impact of Small Arms and Light Weapons on Conflict, Security and Human Development", Saferworld, <https://www.saferworld.org.uk/resources/publications/713-small-arms-and-light-weapons-control>.

16 Anar Valiyev, "Urban Terrorism: Do Terrorists Target Cities and Why", PhD dissertation, May, 2007, University of Louisville; "Only protect: the rise of the anti-terrorism urban planner", *Financial Times*, June 21, 2019, <https://www.ft.com/content/a2e5ebbc-9229-11e9-b7ea-60e35ef678d2>.

## Drug trafficking routes through the MENA

production areas and transit hubs



Data: UNODC; Fund for Peace, 2018; Robins, Philip, Middle East Drugs Bazaar: Production, Prevention and Consumption (Hurst & Co, January 2015)

stifling local economic activity and increasing public unease. Other types of conflict, too, will be urban, be it riots or even war. At the moment, Arab cities and local law enforcement agencies are not prepared to take on this challenge.<sup>17</sup>

Cities are also poised to become not only the main site for commercial activity but also for organised crime; urbanised crime syndicates are a new phenomenon in the region, but one that has been growing since 2011. Several factors facilitate this: governance issues, insecurity, conflicts, poverty and economic disparities all play a role in the onset of the illicit trafficking

of migrants, drugs, weapons, and, of course, money. The region is, for instance, an important production and transit point for different types of drugs, with the cannabis route going north to Europe through the Maghreb and the heroine route going east to west. But the region increasingly consumes drugs, too, particularly pills such as Captagon. In 2015, more than 62% of admissions to Saudi rehab clinics were linked to the abuse of such amphetamine-type stimulants.<sup>18</sup> In one survey, 57% of young Arabs stated that ‘drugs are easy to get in my country’ – while this is lower in the GCC with 32%, it is still an increasing problem in the region,

<sup>17</sup> Joseph Dana, “Gulf cities can export their urban planning expertise”, *Arabnews*, January 20, 2019, <http://www.arabnews.com/node/1438731>.

<sup>18</sup> Georgios Barzoukas, ‘Drug trafficking in the MENA: The Economics and the Politics’, *EUISS Brief*, no. 29, November 31, 2017, <https://www.iss.europa.eu/content/drug-trafficking-mena-%E2%80%93-economics-and-politics>.

compounded by the psychological consequences of war and conflict.<sup>19</sup>

## What does this mean?

- > Municipal administrations in the region are rarely elected and generally sidelined when it comes to policies pertaining to security, economic entrepreneurship or climate change. Empowering them means tapping into unused potential.
- > Cities can be also leveraged as diplomatic counterparts when it comes to single issues such as climate change, terrorism prevention, local crime and economic entrepreneurship.
- > Disarmament efforts have largely slipped off the policy agenda in the region; making them a priority should show positive effects on localised violence.

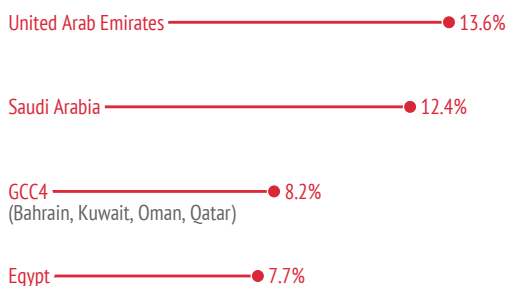
# LEAPING INTO INDUSTRIALISATION 4.0

All is not well when it comes to economics in the Middle East and North Africa. For decades, the region has suffered from low competitiveness (with the exception of the Gulf states), unemployment (especially the youth), stifling environments for innovation and entrepreneurship, high levels of informal employment (45% in the years up to 2010)<sup>20</sup>, high levels of

government employment (50–70%, depending on the country)<sup>21</sup> and inflated subsidy systems.

## The potential of artificial intelligence

impact, % of GDP



Data: PWC, 2019

In addition, further challenges are coming the region's way: although automation and AI are poised to penetrate the market later than elsewhere, they still have the potential to shrink the number of available jobs.<sup>22</sup> As the public sector will have to shrink, the private sector will have to grow.

AI in particular could present some states with a very lucrative opportunity: the region is expected to accrue 2% of the total global benefits of AI in 2030, which is equivalent to \$320 billion. In Saudi Arabia, AI could contribute 12.4% (or \$135.2 billion) in 2030 to the economy, while in the UAE, it would come close to 14%. In Egypt, too, AI could make up 7.7% of its GDP. The sectors that will benefit the most will be construction, energy and financial services. Of course, the impact of AI is set to increase even further beyond 2030, so it is particularly important that the region positions itself well early on.<sup>23</sup> To make the most of these benefits, states in the region will have to encourage innovation and promote the implementation of

<sup>19</sup> Op.Cit., "What do 200 million Arab Youth have to say about their future?"

<sup>20</sup> Martha Chen and Jenna Harvey, "The informal economy in Arab nations: a comparative perspective", *Arab Watch report*, January, 2017, <https://www.hks.harvard.edu/publications/informal-economy-arab-nations-comparative-perspective>.

<sup>21</sup> Omar Fahoum, "How to create more jobs in a fast-changing Middle East", World Economic Forum, April 2, 2019, <https://www.weforum.org/agenda/2019/04/create-jobs-middle-east-fast-changing-business-landscape/>.

<sup>22</sup> "Accelerating Economic Reforms in the Middle East and North Africa: A Private-Sector Perspective", World Economic Forum, January, 2017, [http://www3.weforum.org/docs/Media/AM17/Accelerating\\_Reforms\\_MENA\\_.pdf](http://www3.weforum.org/docs/Media/AM17/Accelerating_Reforms_MENA_.pdf).

<sup>23</sup> "US\$320 billion by 2030? The potential impact of Artificial Intelligence in the Middle East", PWC, 2019, <https://www.pwc.com/mi/en/publications/potential-impact-artificial-intelligence-middle-east.html>.

AI across businesses and sectors. Opportunities are also to be found in the digital sphere, where the region currently fulfils just 8.1% of its economic potential.<sup>24</sup> Only seven countries in the region have published strategies to digitalise their economies: Bahrain, Egypt, Jordan, Saudi Arabia, Oman, Qatar and the UAE – but they are unevenly implemented.

Conducting economic reforms in the region has caught many decision-makers between a rock and a hard place: reform is a necessity because it can help avoid unrest – but it can also create it. There is a series of economic indicators that correlate with instability and risk. Somewhat surprisingly, they are less absolute and more relative in nature. For instance, poverty correlates less with instability than inequality; general unemployment correlates less than youth unemployment; and GDP growth correlates less than inflation and corruption. That said, instability is always the result of several of these elements taken together: any of these indicators alone is not enough to cause instability.<sup>25</sup> This means states can effectively reduce poverty, have robust levels of GDP growth and increase salaries but still face instability – a phenomenon the World Bank has called the ‘MENA puzzle’; all states fared well in several economic areas in 2010, but still went through periods of instability in and after 2011. The reason for this is both psychological and sociological: when citizens perceive no subjective increase in well-being, macroeconomic performance plays no role in their discontent.<sup>26</sup> The region remains

highly unequal in economic terms, with the top 10% of society owning 64% of wealth (in comparison, they own 37% in Western Europe, and 47% in the United States).<sup>27</sup>

At the same time, implementing some of these reforms – including the removal of subsidies and the shift towards a more modern economy – are likely to hurt citizens beyond acceptable levels. As a result, rising living costs (partly because of slashed subsidies) was considered the main obstacle to overcome according to one survey, just above unemployment.<sup>28</sup>

## What does this mean?

- > Economic reform is no longer about cutting subsidies and reducing red tape; states need to be part of industrialisation 4.0 or they will be left behind. Helping Arab states become hubs for entrepreneurship, digital and other technological innovation is now key.
- > Rash reforms are likely to destabilise countries in the region, but reforms are still needed. Where they can be flanked with reforms in education and vocational training, citizens are more likely to accept change.
- > Arab states are running out of means to placate their populations – if they do not manage to transform their economies fundamentally, unrest and violence will be the result.

24 Enrico Benni et al., “Digital Middle East: Transforming the region into a leading digital economy”, McKinsey and Co., October, 2016, <https://www.mckinsey.com/featured-insights/middle-east-and-africa/digital-middle-east-transforming-the-region-into-a-leading-digital-economy>.

25 Therese F. Azeng and Thierry, U. Yogo, “Youth Unemployment, Education and Political Instability: Evidence from Selected Developing Countries 1991–2009”, *Households in Conflict Network (HiCN) Working Paper*, no. 200, Brighton: The Institute of Development Studies, <https://gsdrc.org/document-library/youth-unemployment-education-and-political-instability-evidence-from-selected-developing-countries-1991-2009/>.

26 Efstratia Arampatzi et al., “Unhappy Development: Dissatisfaction with Life in the Wake of the Arab Spring”, *World Bank Policy Research Paper*, 2015, <http://documents.worldbank.org/curated/en/704681468198531465/Unhappy-development-dissatisfaction-with-life-on-the-eve-of-the-Arab-spring>.

27 “Inequality, Uprisings, and Conflict in the Arab World”, World Bank, October, 2015, <http://documents.worldbank.org/curated/en/303441467992017147/pdf/99989-REVISED-Box393220B-OUO-9-MEM-Fall-2015-FINAL-Oct-13-2015.pdf>.

28 Op.Cit., “What do 200 million Arab Youth have to say about their future?”.



## ARAB GOVERNANCE REVISITED

It is no secret that there is a governance issue in the region: according to World Bank governance indicators (accountability, absence of violence, government effectiveness, regulatory quality, rule of law and corruption), all Arab countries underperform – and have done so for decades. In several cases, such as Egypt, Iraq, and Lebanon, things have gotten measurably worse since 2011.<sup>29</sup> Moreover, other elements that affect how citizens perceive government performance, such as the economy, service provision and infrastructure maintenance and development, are also not doing too well.<sup>30</sup>

Corruption, one of the main themes of the Arab Spring, has worsened since then: Syria, Libya, Yemen and Iraq are at the very bottom of Transparency International's Corruption Index, with Sudan sliding its way there, too. Jordan and Lebanon, as well as the region's best performers, the UAE and Qatar, are four countries to watch in the coming years with regard to corruption.<sup>31</sup> Across the region, corruption is mainly a political phenomenon, meaning that individuals unduly impact political decision-making – mostly to divert public funds, but also to expand influence. In part, this is because states lack institutions of accountability and checks and balances, but it is also the result of certain actors actively working against governmental anti-corruption measures or laws not being properly enforced.

On average, even if governments sometimes achieve mediocre results in the economic aspects of governance, they fare particularly badly when it comes to the political aspects,

including accountability, the rule of law and absence of violence. The latter in particular has to be understood more broadly than low levels of terrorism: governmental repression, too, is included in this category. According to the Freedom Index, Egypt ranks 156 and Saudi Arabia 146 of 162 on personal freedom. Unsurprisingly, conflict countries (such as Syria, Yemen and Iraq) rank the lowest on the list. Repression, real or perceived unfairness, unresponsive political systems and, of course, conflict are all part of the process in which governments employ violence against civilians as a political tool, thereby perpetuating a vicious circle. This is also visible in the evolution of terrorism: even though almost all Arab states (with the exception of Egypt) have improved in recent years on casualty rates, they are still collectively witnessing more terrorism than in 2002. The decline of Daesh should not gloss over the fact that more than 16,000 young Arabs from outside Syria or Iraq (the top sending countries were Tunisia, Saudi Arabia and Jordan) joined the organisation in 2014/2015, proving the existence of a substantial recruitment pool within the region. Indeed, Daesh was always a profoundly Arab organisation, with two-thirds of its members stemming from the region.<sup>32</sup> Al-Qaeda remains active, even though its theatres of operations now centre on Yemen and the Sahel zone. While terrorism is the result of several complex dynamics, poor governance is one of the main drivers of radicalisation.

That said, the era of political unresponsiveness seems to have ended with the Arab Spring. Most Arabs today feel that they can affect government policies, especially in those states where mass demonstrations led to regime change: 88% of Egyptians, 73% of Tunisians and 61% of Yemenis, for instance. But even in Jordan, Lebanon and (pre-2019) Algeria, nearly 50% of

29 All data taken from World Bank, "Worldwide Governance Indicators", 2019, <https://databank.worldbank.org/source/worldwide-governance-indicators#>.

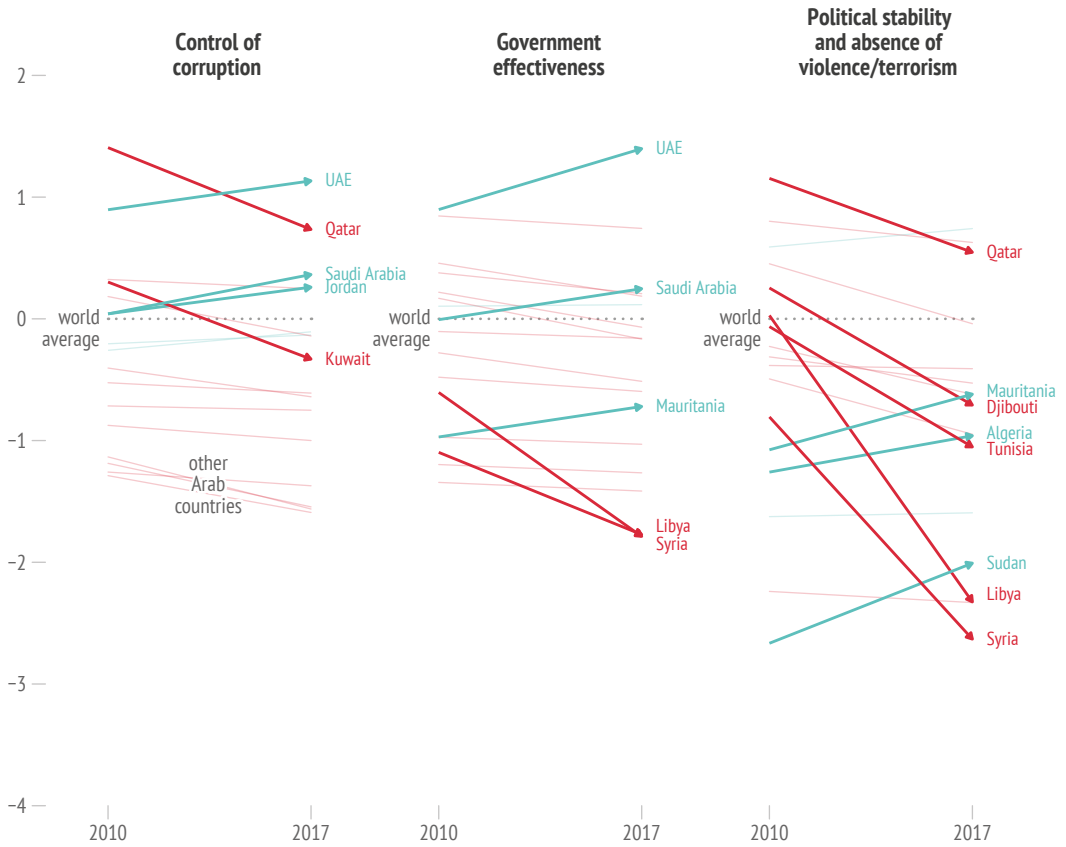
30 Op.Cit., "Youth Unemployment, Education and Political Instability".

31 "Middle East & North Africa: corruption continues as institutions and political rights weaken", Transparency International, January 29, 2019, <https://www.transparency.org/news/feature/regional-analysis-MENA>.

32 "Foreign Fighters: An Updated Assessment of the Flow of Foreign Fighters into Syria and Iraq", The Soufan Group, December, 2015, <https://thesoufancenter.org/research/foreign-fighters/>; "Global Terrorism Index 2018: Measuring the Impact of Terrorism", Institute for Economics and Peace, December, 2018, <http://visionofhumanity.org/app/uploads/2018/12/Global-Terrorism-Index-2018.pdf>.

## Ups and downs

governance indicators, change 2010–2017



Data: World Bank, 2019

respondents felt that they could influence the government. This does not mean that citizens feel that their political leaders care about them or take their grievances seriously (only 10%–30% said so), but that they have become aware of their potential power. Overall, satisfaction with governments remains below 50% in the region:<sup>33</sup> in polls, political institutions such as parliaments or political parties repeatedly rank lowest in the opinions of citizens.

Dissatisfaction with a government’s performance plays an important role in the onset of demonstrations: protesters are, on average,

10% more dissatisfied with issues such as corruption or economics than non-protesters. Interestingly, they are also more financially secure – indicating once more that the complex relationship between economics and unrest is a relative rather than absolute one.<sup>34</sup>

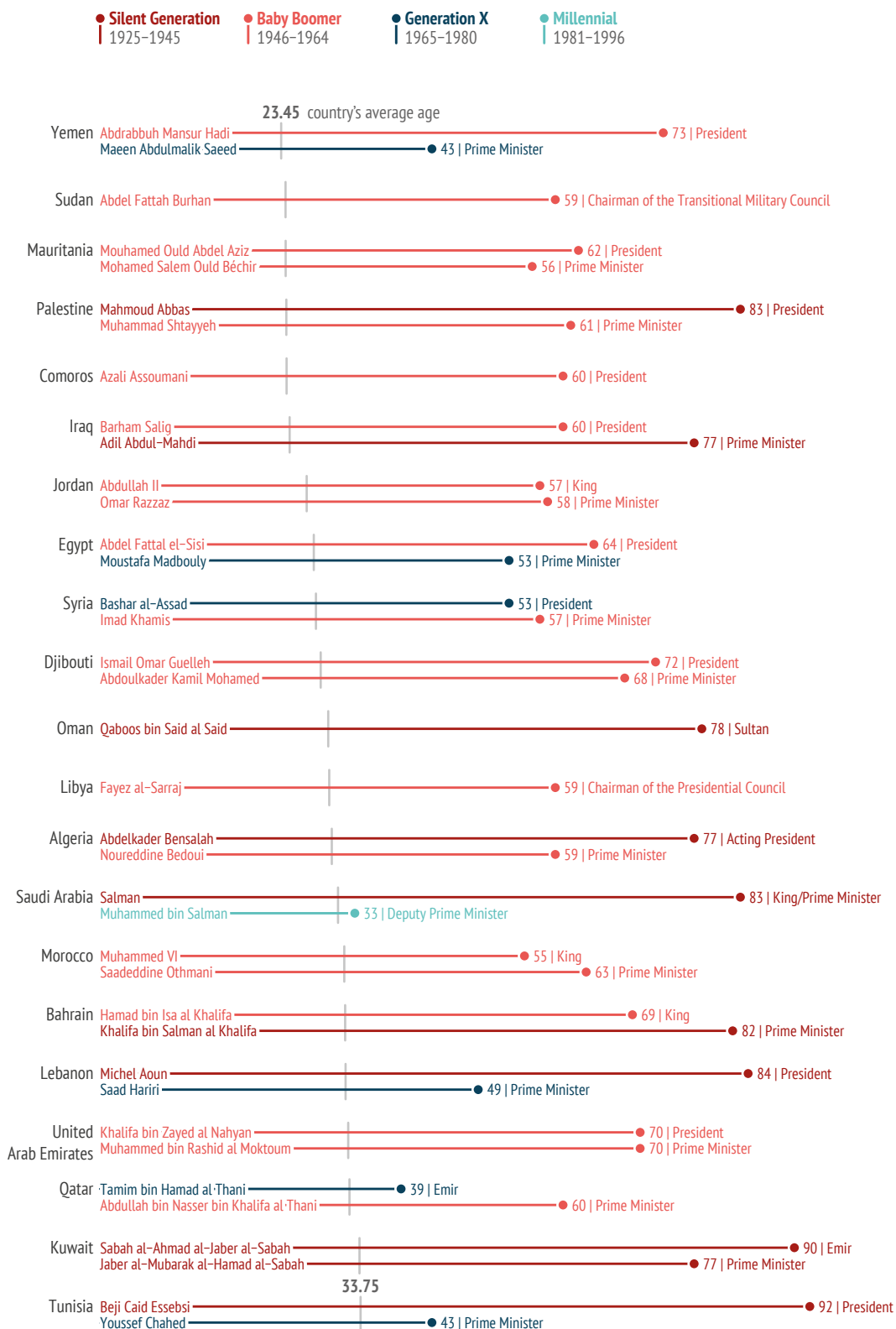
Arab states therefore face a double bind: if they want to avoid instability, they will have to improve on their performance fast, but the temptation to opt for short-term solutions to alleviate the pressures on the population (e.g. creating jobs through large infrastructure projects or increasing subsidies on fuel and food

<sup>33</sup> Op.Cit., “The 2017–2018 Arab Opinion Index”.

<sup>34</sup> Michael Robbins and Amaney Jamal, “The State of Social Justice in the Arab World: The Arab Uprisings of 2011 and Beyond”, *Contemporary Readings in Law and Social Justice*, vol. 8, no. 1 (2016), pp. 127–157.

## Ruled by the old

Age and generation of Arab leaders



staples) ultimately makes matters worse as it postpones genuine reform.

## What does this mean?

- > Democracy is not a condition *sine qua non* to eradicate corruption – authoritarian leaders, too, could enforce existing laws, create corruption watchdogs and reduce red tape, all of which would reduce graft.<sup>35</sup>
- > There is some hope that digitalisation will help reduce corruption in the public sector.
- > Suppressing public outbursts of anger tends to make the situation worse – suspending access to the internet, for instance, is normally followed by violence.<sup>36</sup>
- > Non-violent demonstrations are more likely to lead to a stable democratic transition – meeting them with violence will also come at a hefty diplomatic price.<sup>37</sup>
- > Repression is a costly long-term endeavor.

## FOSTERING REGIONAL COOPERATION

Although the Middle East and North Africa gave birth to one of the world's first multilateral organisations (the Arab League was created in 1945, six months before the United Nations), it has struggled with political and economic fragmentation ever since. This seems somewhat odd at first, considering the region's apparent cultural, religious, historical sense of community: in 2017, 77% of respondents to the Arab Opinion Index stated that there was a single Arab nation – but views differed on whether the borders dividing it into different states were artificial or not.<sup>38</sup>

But this shared sense of identity has not translated into cooperation: most Arab states still impose visa requirements on each other; only 9% of their trade takes place within the region (it is 63% in the European Union, for instance); and the diplomatic fallout between Qatar and its Gulf neighbours has exposed once again how fragile even seemingly advanced relations still are.<sup>39</sup> That said, the benefits of more cooperation are obvious: studies show that the creation of an Arab customs union, the full implementation of the Greater Arab Free Trade Agreement (GAFTA), the replacement of some non-Arab labour in the Gulf with citizens from other Arab states and the reduction of transport costs by 5% would lead to a 23% growth in trade within five years, increase GDP by up to 2.9%, reduce

<sup>35</sup> Roberto Martinez B. Kukutschka, "Anti-corruption strategies for authoritarian states", Anti-Corruption Resource Centre, <https://www.u4.no/publications/anti-corruption-strategies-for-authoritarian-states>.

<sup>36</sup> "Countries are turning off the internet to stop violence. Does it work?", *New Scientist*, July 31, 2019, <https://www.newscientist.com/article/mg24332414-800-countries-are-turning-off-the-internet-to-stop-violence-does-it-work/#ixzz5xKy81uZA>.

<sup>37</sup> Erica Chenoweth, "Trends in Nonviolent Resistance and State Response: Is Violence Towards Civilian-based Movements on the Rise?", *Global Responsibility to Protect*, vol.9, (2017), pp. 86 – 100.

<sup>38</sup> Op.Cit., "The 2017–2018 Arab Opinion Index".

<sup>39</sup> Bernard Hoekman, "Intra-Regional Trade Potential Catalyst for Growth in the Middle East", *Middle East Institute Policy Paper*, 2016-1, April 20, 2016, <https://www.mei.edu/publications/intra-regional-trade-potential-catalyst-growth-middle-east>.

unemployment by up to 8% and decrease poverty by nearly 1%.<sup>40</sup>

Security is another area where more cooperation among Arab states could yield highly beneficial results. Because border cooperation is as poor as the borders are porous, weapons, drugs and terrorist groups make extensive use of the Arab space.<sup>41</sup> For instance, although the border between Morocco and Algeria might be *officially* closed, it is regularly used to traffic drugs, cigarettes and fuel – the latter in particular loses Algeria \$1.3 billion in tax revenues every year, while one-eighth of cigarettes smoked in Morocco come from Algeria, where prices are 43% lower.<sup>42</sup> Although measures have been taken to remedy this, smuggling has not been eradicated. There is very little cooperation among Arab police (there is no Arab arrest warrant, for example) and limited cooperation between Arab military forces – although in theory the 1950 defence pact provides a legal framework, the ‘Arab NATO’ long mooted has never materialised. This was not for lack of trying: since 1945, there have been at least five attempts to create a collective defence (or security) system in the region – most recently, the Joint Arab Force, the Islamic Military Counterterrorism Alliance and the US-led alliance with the Gulf.<sup>43</sup> While it is true that several states have started to conduct operations together (be it in Libya, Iraq or Yemen), the vision, leadership and trust to entrench a formal defence system is lacking. In the absence of a regional hegemon, the MENA has relied for the most part on outsiders to act as arbiters – as strategic autonomy is set to increase, the few mechanisms for conflict prevention or

resolution that there were are poised to disappear altogether.<sup>44</sup>

## What does this mean?

- > The main reason for poor regional relations is distrust among states – in large part thanks to a history of interference in each other’s affairs. It is not only Iran which requires confidence-building measures with regional neighbours, virtually all states in the region do.
- > Most regional integration efforts have focused either on political unification or military cooperation – but economic attempts remain largely unexplored. New avenues for this could open up in the digital realm.
- > Regional integration is doomed to fail without first addressing the issues of Palestinian statehood, the Qatar crisis, tensions between Iran and Saudi Arabia, tensions between Morocco and Algeria and interference in the conflict in Libya.

## GENERATIONS Y AND Z: THE NEW ARABS

Social change is, in foresight, one of the most difficult factors to assess – in part, because there is no consensus on how and why norms and values change. One of the many theories

40 “Arab Integration: An Imperative for 21st Century Development Imperative”, UN Economic and Social Commission for Western Asia, 2014, <https://www.unescwa.org/publications/arab-integration-21st-century-development-imperative>; Raffaella A. Del Sarto, Helle Malmvig and Eduard Soler i Lecha, “Interregnum: The Regional Order in the Middle East and North Africa after 2011”, *MENARA Final Reports*, no.1, February, 2019, <https://www.iai.it/en/pubblicazioni/interregnum-regional-order-middle-east-and-north-africa-after-2011>.

41 Florence Gaub, “The Arab Common Market: Fighters, Weapons, Ideologies”, *EUISS Brief*, no. 22, July 1, 2016, <https://www.iss.europa.eu/content/arab-common-market-fighters-weapons-ideologies>.

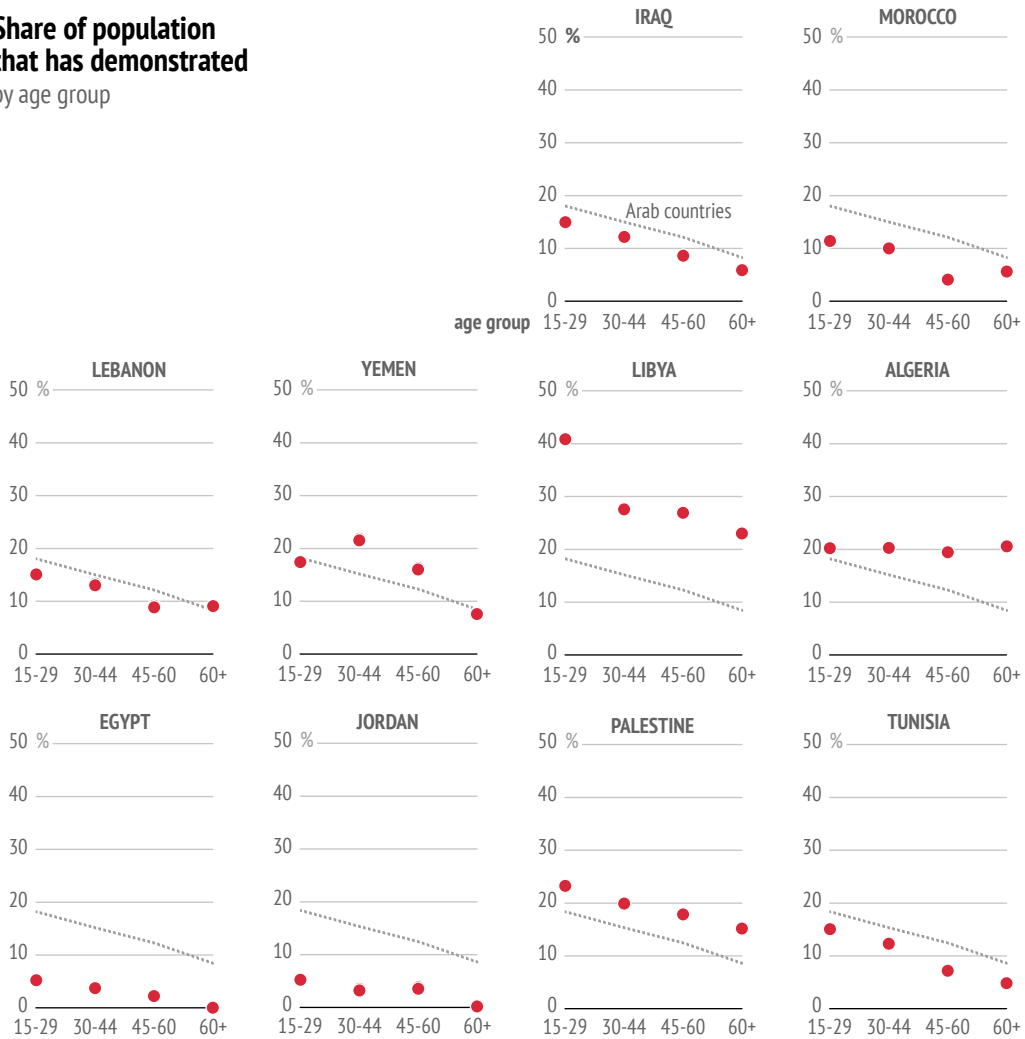
42 Anouar Boukhars, “Barriers Versus Smugglers: Algeria and Morocco’s Battle for Border Security”, Carnegie Endowment for International Peace, March 19, 2019, <https://carnegieendowment.org/2019/03/19/barriers-versus-smugglers-algeria-and-morocco-s-battle-for-border-security-pub-78618>.

43 Florence Gaub, “Stuck in the Barracks: The Joint Arab Force”, *EUISS Brief*, no. 31, October 12, 2015, <https://www.iss.europa.eu/content/stuck-barracks-joint-arab-force>.

44 Florence Gaub, “Middle Eastern Multipolarity in Movement: The Instability of Structural Change”, *Orient*, IV, no. 56 (2015), pp. 57–65.

### Share of population that has demonstrated

by age group



Data: UNDP, 2016

concerning change revolves around the concept of generations: the idea that common socialisation during youth creates a more or less cohesive social cohort holding particular views which will then, in turn, influence their attitude towards future events.<sup>45</sup>

At the moment, five generations coexist: the Silent Generation (born between 1925 and 1945), the Baby Boomers (born between 1946 and 1964), Generation X (born between 1965

and 1980), Generation Y (also known as the millennials – born between 1981 and 1996) and lastly, Generation Z (born between 1997 and 2019). The latter two are of particular interest as they will reach political maturity between now and 2030; their views will determine to what extent the region’s societies will change their values and attitudes.

Both generations share a number of features: they are, of course, digital generations, but

<sup>45</sup> Karl Mannheim, “The Problem of Generations”, in Kecskemeti, Paul (ed.) *Essays on the Sociology of Knowledge: Collected Works*, vol. 5 (New York: Routledge, 1952), pp. 276–322.

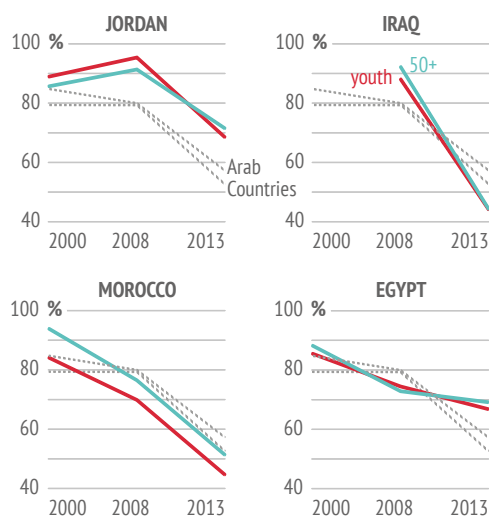
not quite in the same way that their Western counterparts are. The closest regional teenagers come to Westerners in this regard live in the Gulf.<sup>46</sup> But because the internet arrived in the region later, there are also Generation Z members in places like Egypt, Libya, or Iraq who remember a time before digitalisation. That said, the digital realm plays an important part in their lives, particularly when it comes to information, entertainment and social ties. Globally, Arab millennials have the highest levels of trust in social media as a news source (particularly in the GCC, where the penetration rate is higher than that of the US), but social media is also now used on a large scale to express identity. Influencers, especially women, sometimes garner millions of followers on Instagram and YouTube, showcasing their post-modern take on what it means to be a young Arab today – including modest dressing.<sup>47</sup> This means that the online space is mainly used for entertainment, self-expression, and connection – but not for shopping or other economic activities.

But Generations Y and Z were not just shaped by the advent of the internet – conflict, too, played a big role during their formative years. 37% of young Arabs live in conflict-afflicted or fragile states and one-third are depressed, including in non-conflict states. Since 1990, suicide rates have increased by 100% (they grew by 19% in the rest of the world), especially in conflict countries such as Iraq (where 39% of men declare to have suffered sexual abuse).<sup>48</sup>

These generations are also less ‘obedient’ than their parents – perhaps because they

## Obedience to authority

by age cohort and over time



Data: UNDP, 2019

experienced the Arab Spring and its disruptive power, because they have been empowered as individuals, or because their expectations are higher (two-thirds expect their government to provide for them, even though entrepreneurship is growing in popularity with the success of online companies such as Souq and Careem).<sup>49</sup> In fact, rates of civic activism surpass those of Western countries and the appetite for revolution is high – especially in Morocco, Yemen and Egypt, where 39%–49% would support rapid political change.<sup>50</sup> It also perhaps explains why almost half of adults under 30 years old in the Levant and North Africa are considering migrating. In any case, the Arab millennial’s

46 “Brands take note: Middle Eastern teenagers are a generation apart”, *The National*, April 12, 2017, <https://www.thenational.ae/business/brands-take-note-middle-eastern-teenagers-are-a-generation-apart-1.637289>.

47 Jennifer Lundt, “Top 25 Social Media Influencers in the Middle East”, *Istizada*, <http://istizada.com/blog/top-25-social-media-influencers-in-the-middle-east/>; “100 under 40: the world’s most influential young Arabs 2016”, *Arabian Business*, March 27, 2016, <https://www.arabianbusiness.com/photos/in-pictures-100-under-40--world-s-most-influential-young-arabs-2016-626206.html>.

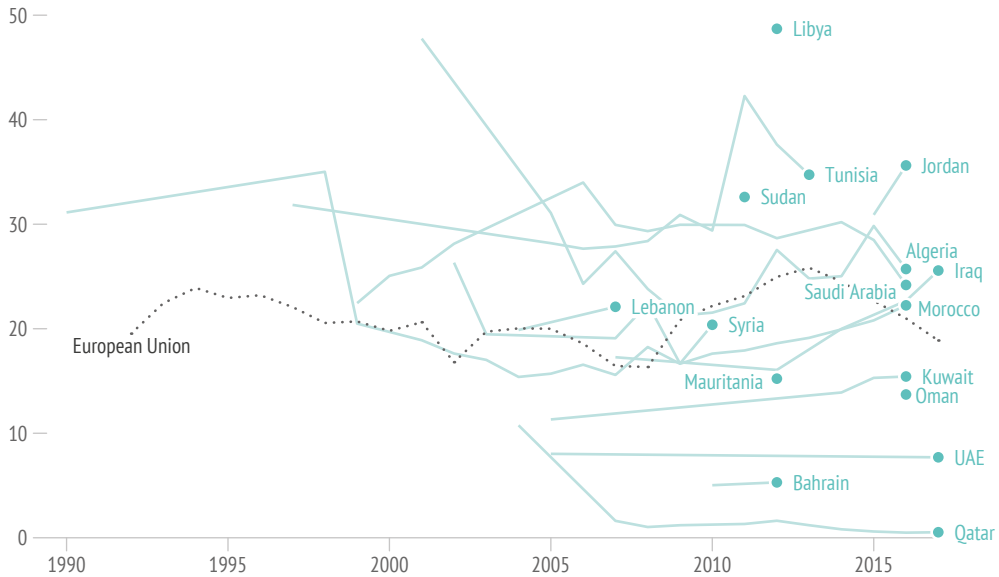
48 Jennifer Bell, “The hidden face of mental illness in the Middle East”, *Arabnews*, May 14, 2019, <http://www.arabnews.com/node/1496661/middle-east>; Alaisdair Soussi, “Mind over matter: Why a mental health crisis is brewing in the Middle East”, *The National*, May 16, 2019, <https://www.thenational.ae/lifestyle/wellbeing/mind-over-matter-why-a-mental-health-crisis-is-brewing-in-the-middle-east-1.862186>; Maziar Moradi-Lakeh et al., “Intentional injuries in the Eastern Mediterranean Region, 1990–2015: Findings from the Global Burden of Disease 2015 Study”, *International Journal for Public Health*, vol. 63, no. 1 (2018): pp. 39–46; Megha Mohan and Haider Ahmed, “Are men the main target of sexual harassment in Iraq?”, *BBC News*, July 11, 2019, <https://www.bbc.com/news/stories-48940041>.

49 Gavin Gibbon, “Most UAE professionals hoping to create the next Souq or Careem”, *Arabian Business*, July 8, 2019, <https://www.arabianbusiness.com/technology/423467-most-uae-professionals-hoping-to-create-the-next-souq-or-careem>.

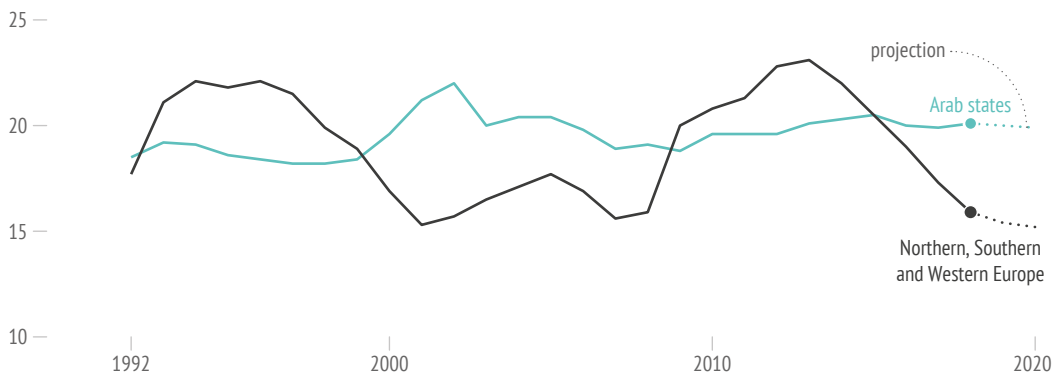
50 “Could Morocco see the next uprising, after Sudan and Algeria?”, *BBC News*, June 27, 2019, <https://www.bbc.com/news/world-africa-48771758>.

### Youth unemployment

of total labor force ages 15-24, national estimate, 1990-2017, %



unemployment rate, 1992-2020, %



Data: World Bank, 2019; ILO, 2019

combination of frustration and self-expression could pose a serious challenge to unresponsive leaders.

Education – one of the key stepping stones to a well-paid job – is a particular source of frustration: 78% of young Arabs say they are concerned about the quality of their education. This is for good reason, as the region (including the Gulf states) continues to fare well below the global

average on standardised international tests in education. University enrolment remains low at 40% (it is 68% in the European Union), in part because graduates are among those least likely to find employment. One-third of employers say this is due to inadequate skills – apparently, the subjects that Arab millennials study do not match what is needed on the job market. This is set to worsen, as 21% of the core skills



needed in the future will be different from those needed today.<sup>51</sup>

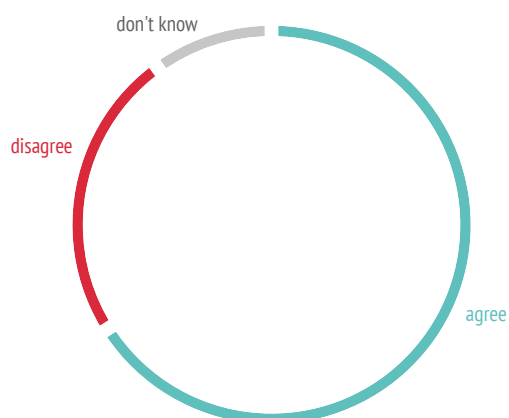
The great unknown is how these generations feel about the political systems they live in; as one study noted, ‘the majority of today’s Arab teens cannot be considered subversive the way Western teens are. But at the same time, their exposure to globalised ways of thinking have made them a lot more liberal than most of the societies they live in.’<sup>52</sup> Democracy continues to rank high in surveys, but it is broadly understood as a vehicle for social justice (less than 20% associate the system with political equality).<sup>53</sup> Illiberal attitudes and intolerance continue to be common across generations, whether it comes to homosexuality or honour crimes. Anti-Americanism also remains strong, with 60% believing that violence against the US is acceptable. As their elders, young Arabs retain a strong regional identity and see the Israeli–Palestinian conflict as a major obstacle to regional reform and progress (even though 67% of young Arabs recognise Israel as a state).

Although the role of religion is shifting, it is doing so slowly: 18% of those under 30 now declare themselves to be non-religious.<sup>54</sup> Marriage remains the norm for Arab millennials, but couples marry later, tend to have fewer children, and wives are more likely to work. Perhaps the greatest shift in this regard is views on the political role of religion: 66% of young Arabs say the role of religion in the region is too important and 79% support the reform of religious institutions.<sup>55</sup>

While Islam will continue to play a role in society, this subtle shift in attitudes therefore indicates a change in the overall relationship with religion – especially when it comes to its influence on politics.<sup>56</sup> This is reflected also in waning support for Islamist groups such as the Muslim Brotherhood, Hamas and Hezbollah. Daesh, itself a largely millennial (and millenarian) organisation with an age average of 26, is seen as overwhelmingly negative (92%) by young Arabs – it is also worth noting that particularly pious individuals hold similar views of Daesh as moderately religious people.<sup>57</sup>

### Does religion play too big of a role in the Middle East?

% of respondents



Data: Arab Youth Survey, 2019

Perhaps the main difference between these two generations and the rest of their respective societies is their attitudes towards the

51 “The Future of Jobs and Skills in the Middle East and North Africa: Preparing the Region for the Fourth Industrial Revolution”, World Economic Forum, May, 2017, [http://www3.weforum.org/docs/WEF\\_EGW\\_FOJ\\_MENA.pdf](http://www3.weforum.org/docs/WEF_EGW_FOJ_MENA.pdf).

52 “Marketers chasing Saudi Arabia’s elusive Gen Z”, *Arab News*, March 13, 2017, <http://www.arabnews.com/node/1067861/media>.

53 Michael Robbins and Amaney Jamal, “The State of Social Justice in the Arab World: The Arab Uprisings of 2011 and Beyond”, *Contemporary Readings in Law and Social Justice*, vol. 8, no.1 (2016), pp. 127–157.

54 Op.Cit., “The 2017–2018 Arab Opinion Index”; “Arab Human Development Report 2016: Youth and the Prospects for Human Development in a Changing Reality”, UN Development Programme, 2016, <http://hdr.undp.org/en/content/arab-human-development-report-2016-youth-and-prospects-human-development-changing-reality>, p. 27.

55 “The Arab world in seven charts: Are Arabs turning their backs on religion?”, *Arab Barometer*, June 23, 2019, <https://www.arabbarometer.org/2019/06/the-arab-world-in-seven-charts-are-arabs-turning-their-backs-on-religion/>; Jumana Khamis, “Public vs private sectors: How Arab youth choose jobs”, *Gulfnews*, January 8, 2017, <https://gulfnews.com/going-out/society/public-vs-private-sectors-how-arab-youth-choose-jobs-1.1941861>.

56 Shadi Hamid, *Islamic Exceptionalism: How the Struggle Over Islam Is Reshaping the World* (St Martin’s Press: New York, 2016).

57 Lizzie Dearden, “Isis documents leak reveals profile of average militant as young, well-educated but with only ‘basic’ knowledge of Islamic law”, *The Independent*, April 22, 2016, <https://www.independent.co.uk/news/world/middle-east/isis-documents-leak-reveals-profile-of-average-militant-as-young-well-educated-but-with-only-basic-a6995111.html>.

environment: concern about climate change and frustration with the lack of action at the leadership level is as pronounced with Arab millennials and Generation Z as it is with their European counterparts.<sup>58</sup> Given the current unresponsiveness of the ruling generations in this regard, it is only a matter of time until an Arab environmental protest movement emerges.

## What does this mean?

- > Arab millennials show high degrees of frustration, a desire for change and a declining obedience to authority. If their concerns remain unaddressed, it will lead to unrest.
- > Although socially conservative with illiberal tendencies, young Arabs display democratic leanings, indicating the need for a political system which can accommodate both.
- > Islamist movements appear to have burned out for the time being – but which ideology will fill the void is unclear.

## ESCAPING THE CONFLICT TRAP

The Middle East and North Africa has a reputation for conflict: since 1945, there has been at least one interstate war per decade (the 1990s even saw two) and 25 instances of intra-state war (on average, two per decade), including insurgencies, civil wars and protracted terrorism campaigns. In the same timeframe, 2.3 million of its citizens died as a result of political violence – 40% of the global total of battle-related deaths, although the region accounts for a mere 5% of the world's population.<sup>59</sup> The economic,

social and environmental damage this has caused goes well into trillions of euros.

That said, it is wrong to assume that 'this has always been that way' and that the root causes are ancient ethnic enmities or a cultural predisposition to violence. First, while the region has known conflict for decades, it has been the last 15 years in particular that have witnessed protracted violence. Although levels of violence are currently declining, they have still not returned to pre-2003 levels.

Second, a closer look at the region's conflicts shows that they vary dramatically in nature.<sup>60</sup> There are often no obvious conflict causes, but rather proximate ones: identity, poverty, a lack of opportunity, fear and resource scarcity can all turn into conflict instigators. There is still no arithmetic which offers a simple explanation for, and therefore increase the predictability of, Middle Eastern conflict causes.

That said, some features regularly appear: Arab states rarely go to war with another Arab state; when an interstate war does occur, the majority of the time it involves a non-Arab state such as Israel, Iran or the United States. The vast majority of conflicts are intra-state, and while they often involve external interferences (including from Arab governments), they are rarely openly fought as proxy wars. Lastly, Arab wars mostly end in the defeat of an opponent rather than a negotiated settlement – this used to be a global pattern until the 1990s, so it can be assumed that a diplomatic end to wars might still arrive in the region at some point. After all, an outright military victory appears not to be the most sustainable form of conflict resolution in the region: at least four of the MENA's conflicts are the 'descendants' of other conflicts, the root causes of which were never addressed.

Should the region manage to prevent conflict, limit its impact and find more sustainable

<sup>58</sup> "Gen Z Survey", *Masdar*, November 16, 2016, <https://masdar.ae/en/strategic-platforms/youth-4-sustainability/gen-z-survey>.

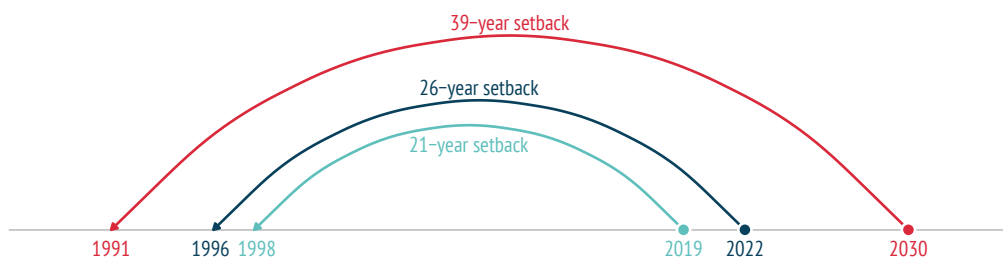
<sup>59</sup> Op.Cit., "The MENA Region's Intersecting Crisis: What Next?"; Florence Gaub, "Arab wars: calculating the costs", *EUISS Brief*, no. 25, October 4, 2017, <https://www.iss.europa.eu/content/arab-wars-calculating-costs>.

<sup>60</sup> Joost Hiltermann, "Conflicts in the Middle East and North Africa: An Attempt at Reframing", in Anders Jägerskog et al (eds.) *Routledge Handbook on Middle East Security* (Routledge: London, 2019).

solutions, it would finally open the door to economic prosperity, human development, security and stability.

## Years lost due to war in Yemen

based on the Human Development Index, years set back at the end of the conflict



Data: UNDP, 2019

## What does this mean?

- > From a statistical point of view, the region is set to experience more conflict on the way to 2030. Thinking ahead of where and why this could be could help to reduce its likelihood.
- > The absence of an overarching security structure has not helped, but neither has a reliance on outsiders to mediate. Only a regional system which includes a commitment to peace can end conflict.
- > Most negotiations for peace follow the political track only, leaving the eventual agreement vulnerable to armed actors. Disarmament and demobilisation should be included early on in the process.

## CHAPTER 3

# THE BASELINE: THE MEGA-TRENDS

The scenarios laid out, as well as the catalysts are firmly rooted in a set of large-scale trends that are unlikely to change over the next decade. We call these mega-trends: a slow, structural change that affects many people in a profound way.<sup>1</sup> They are decades-long in the making, can be detected early because they move slowly and are unlikely to change simply because it is difficult (and sometimes impossible) to alter them. This does not mean that we should ignore them: they, too, are agents of change, but on a scale humans will have to dedicate much more time and effort to in order to influence their course.

In the Middle East and North Africa, we have identified seven mega-trends that concern the region:

- > climate change (along with environmental degradation);
- > urbanisation;
- > demographic trends;
- > food import dependency;
- > digitalisation;
- > energy production;
- > geopolitical changes.

## LET'S TALK ABOUT THE WEATHER: THE EFFECTS OF CLIMATE CHANGE

The summer of 2030 will be a hot one in the Arab region: on average 1–1.5°C hotter than pre-industrial times – and in some parts of Iraq, Saudi Arabia and Algeria it will even be 2°C warmer.<sup>2</sup> Although winters will be, overall, less extreme, they will still be 1–1.5°C warmer in the Arabian Peninsula and Iraq than today.<sup>3</sup> In addition, the region will experience more and more incidents of extreme weather, be it floods in Saudi Arabia, cyclones in Oman or sand storms in Bahrain.

Heatwaves will become more frequent, particularly in major cities. Riyadh will have an average of 59 heatwaves per year, up from 12 in the three decades before the 1990s; in Cairo, the number of days per year spent living with extreme heat will stand at 22.5 (up from 7.5). Water will be increasingly difficult to come by: between 2020 and 2030, water availability will have fallen by

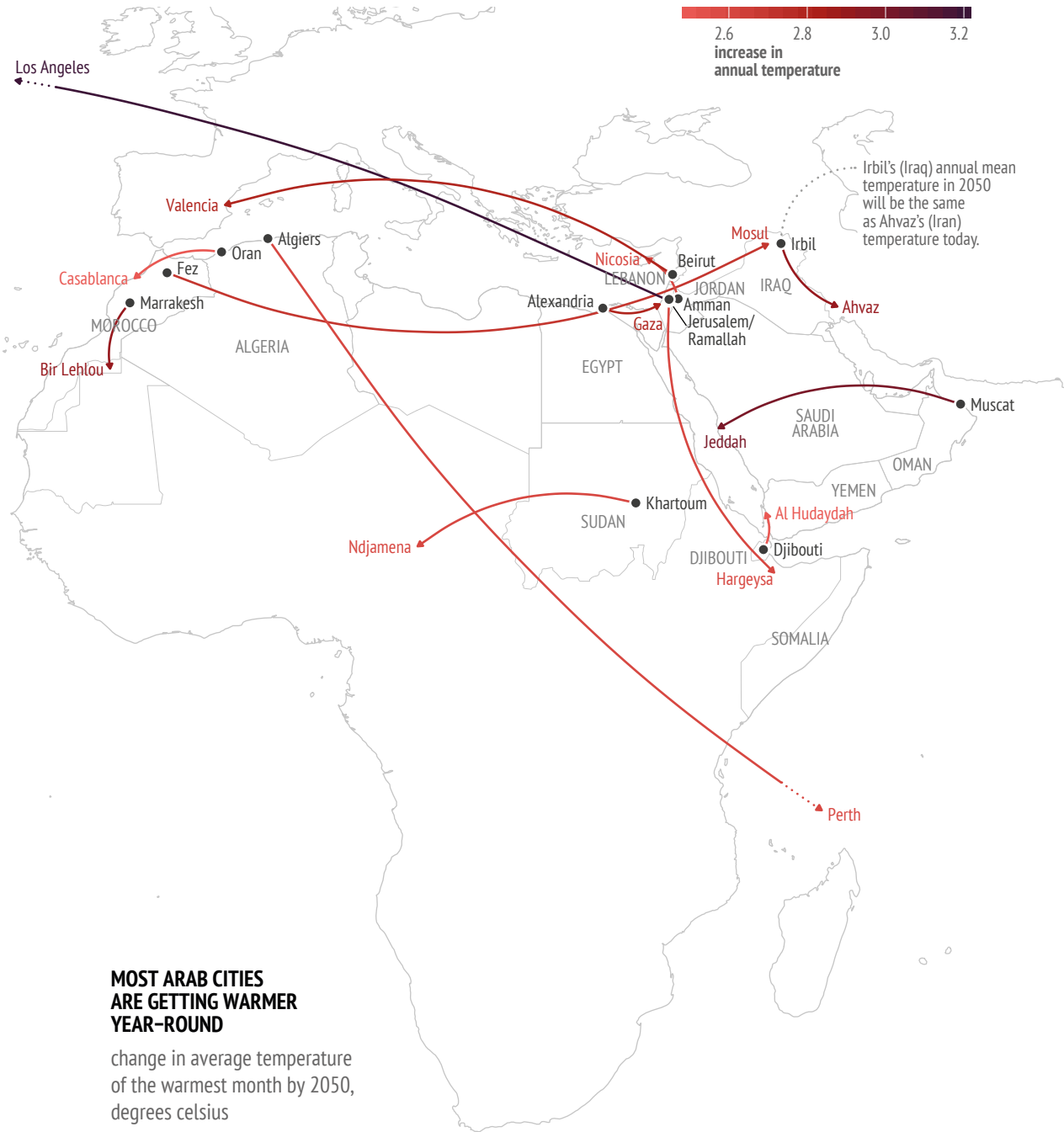
1 The term was first coined by John Naisbitt in John Naisbitt, *Megatrends: Ten New Directions Transforming Our Lives* (Warner Books: New York, 1982).

2 Aditi Banerjee et al., “Natural Disasters in the Middle East and North Africa: A Regional Overview”, *World Bank Working Paper*, 2014, <http://documents.worldbank.org/curated/en/211811468106752534/Natural-disasters-in-the-Middle-East-and-North-Africa-a-regional-overview>, p. 14.

3 Guy Jobbins and Giles Henley, “Food in an Uncertain Future: The Impacts of Climate Change on Food Security and Nutrition in the Middle East and North Africa”, Overseas Development Institute/World Food Programme, 2015, [https://www.preventionweb.net/files/46974\\_46974odiwfpimpactofccconfnsinmena201.pdf](https://www.preventionweb.net/files/46974_46974odiwfpimpactofccconfnsinmena201.pdf), pp. 23–25.

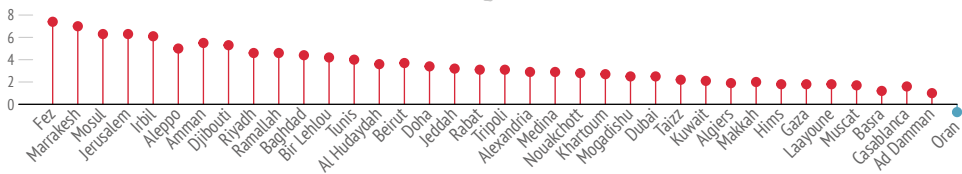
### MENA cities and their urban climatic equivalent by 2050

change in annual mean temperature (only cities with increases over 2.5°C shown)



### MOST ARAB CITIES ARE GETTING WARMER YEAR-ROUND

change in average temperature of the warmest month by 2050, degrees celsius



20% thanks to a rising (and unsustainable) water demand, but also due to increased seawater intrusion into coastal aquifers.<sup>4</sup> The agricultural sector will be hit particularly hard, with the yields of some crops reduced by up to 30% in certain areas.<sup>5</sup> This will affect 40% of the region's population, especially the poorest, who depend on agriculture for a living.<sup>6</sup>

Climate-related water scarcity is exacerbated by geopolitics: although several Arab countries should in theory not suffer from water poverty, three of them depend on surface water originating in major rivers from outside their territory: 97% of Egypt's and 77% of Sudan's supplies come from the Nile, originating in Ethiopia/Uganda; and 72% of Iraq's water supplied from the Euphrates and Tigris originates in Turkey. Only Lebanon is independent when it comes to water supplies.<sup>7</sup>

By 2030, rising sea levels will begin to affect the Nile Delta, contributing to subsidence, salt intrusion and poor drainage. Elsewhere, the impact will not yet be visible, but the prospects of a 1m rise will begin to trigger serious concern in countries with densely populated coastal areas such as Tunisia, the UAE, Qatar, Lebanon and Bahrain. Egypt, too, will have to think about the worst case scenario for Alexandria, where a 50cm rise would lead to the displacement of 2 million people and losses of \$35 billion in land, property and infrastructure.<sup>8</sup> Furthermore, the Suez Canal will face increased competition from the Northern Sea Route across the Arctic thanks to melting ice around 2035.<sup>9</sup>

Of course, Arab states are not affected evenly by climate change: those with the greatest structural problems or experience of conflict, such as Mauritania, Yemen, Iraq, Syria and Sudan will continue to struggle the most. Rural communities, the urban poor and marginalised or displaced populations will also be hit the hardest. That said, even the wealthiest countries in the Gulf will not be able to avoid the effects of climate change altogether.

## What does this mean?

- > By 2030, MENA states will have to manage the fallout of climate inaction, but the extent to which they do it will depend on their will, awareness and capacity. They will be particularly challenged with regard to water scarcity and agricultural production and, as a consequence, increased migration to cities.
- > How much climate change will impact the region beyond 2030 will depend largely on if the world, the region included, reduces CO2 emissions.
- > In addition to climate change, biodegradation, if not addressed, will begin to take a toll on health care systems, agriculture and the economy.
- > Climate change will increase the probability of conflict by 26% globally – in an already

4 Jos Lelieveld et al., "Model Projected Heat Extremes and Air Pollution in the Eastern Mediterranean and Middle East in the Twenty-First Century", *Regional Environmental Change*, vol. 14, no. 5 (2014), pp. 1937-1949; "Climate Change and Disaster Risk Reduction in the Arab Region", *ESCWA Population and Development Report*, no. 7, UN Economic and Social Commission for Western Asia, 2017, [https://www.preventionweb.net/files/61899\\_escwawaterdevelopmentreport7english.pdf](https://www.preventionweb.net/files/61899_escwawaterdevelopmentreport7english.pdf), p. 23.

5 "Turn Down the Heat: Why a 4°C Warmer World Must be Avoided", A report for the World Bank by the Potsdam Institute for Climate Impact Research and Climate Analytics, November, 2012, <http://documents.worldbank.org/curated/en/865571468149107611/pdf/NonAsciiFileName0.pdf>, p. 113.

6 "Arab Horizon 2030: Prospects for Enhancing Food Security in the Arab Region", UN Economic and Social Commission for Western Asia, 2017, [https://www.unescwa.org/sites/www.unescwa.org/files/publications/files/arab-horizon-2030-prospects-enhancing-food-security-arab-region-english\\_o.pdf](https://www.unescwa.org/sites/www.unescwa.org/files/publications/files/arab-horizon-2030-prospects-enhancing-food-security-arab-region-english_o.pdf), p. xii.

7 Abbas El-Zein et al., "Health and Ecological Sustainability in the Arab World: A Matter of Survival", *Lancet*, vol. 383, no. 9915 (2014), pp. 458-476.

8 Op.Cit., "Food in an Uncertain Future", p. 25.

9 Malte Humpert and Andreas Raspotnik, "Despite Global Warming Suez Canal will remain preferred shipping route in coming decades new study suggests", *The Arctic Institute*, February 4, 2016, <https://www.thearcticinstitute.org/despite-global-warming-suez-canal-will-remain-preferred-shipping-route/>.

conflict-prone region, this figure could be far higher.<sup>10</sup>

- > Climate change will also damage the tourism industry: one study on the Egyptian resort of Hurghada showed that the projected increase in temperature would make weather conditions in the tourist-heavy months of July and August almost unbearable.<sup>11</sup>

## A TALE OF CITIES: CAIRO GROWS, BEIRUT TRADES AND BAGHDAD BUILDS<sup>12</sup>

In 2030, the Arab region will have entered the urban age along with the rest of the world: 70% if its citizens will live in cities, up from 48% in 1980, and urban growth will begin to decelerate from 3% in 2010 to 1.86% in 2030.<sup>13</sup>

That said, urbanisation is occurring very unevenly across the MENA. From the highly urban Gulf (80% urbanised) to the mostly urban Levant (87% in Lebanon), to the medium-sized city shaping the Maghreb, and finally, to the lowest levels (30–40%) in the peripheral nations of Mauritania, Sudan and Yemen, cities play different roles and have different regulations, infrastructures and even cultures.

While Dubai is an international city attracting global business and inhabitants from all over

the world (and will have doubled in size between 2020 and 2030), Amman and Beirut, in turn, are ‘hub cities’ – centres that facilitate trade thanks to their geographical location, business-friendly regulations, entrepreneurial activity and modern infrastructure. Beirut acts as a gateway from the Mediterranean to the Gulf, while Amman is an economic oasis for Iraq and a node connecting Saudi Arabia to the rest of the region.<sup>14</sup> Cairo and Baghdad will be the two mega cities of the region, boasting 25 and 10.5 million inhabitants in 2030, respectively – but Riyadh is well on its way to become one, too, by 2045.<sup>15</sup>

Unfortunately, several cities in the region are heading on a trajectory which is less Dubai and more Sana’a, with all the challenges of a ‘sin city’: overburdened infrastructure, depleted resources, uncontrolled growth, high percentages of inhabitants in informal settlements and/or adjacent refugee camps all encourage violence, crime and in the worst case scenario, even war. Already, informal settlements host 50% of urban inhabitants in Lebanon and Iraq, 67% in Yemen and 85% in Sudan. Moreover, 71% of those living on a low income in Jordan are urban dwellers; in Cairo, 62% of families live in informal settlements – the Manshiet Nasser slum alone has 1 million inhabitants.<sup>16</sup> In Yemen, for instance, 67% of urban residents live in slums and informal settlements which lack basic services such as water, sanitation or solid waste collection.<sup>17</sup> By 2030, this will apply mainly to the cities in Yemen, Mauritania and Sudan (where most regional urban growth is projected to occur), but similar cases will also be found in Cairo, Beirut and Baghdad.

<sup>10</sup> Katharine Mach et al. “Climate as a Risk Factor for Armed Conflict”, *Nature*, vol. 571 (2019), pp. 193–197.

<sup>11</sup> Dalia Mahmoud et al., “The Potential Impact of Climate Change on Hurghada City, Egypt, using Tourism Climate Index”, *GeoJournal of Tourism and Geosites*, vol. 25, no. 2 (2019), pp. 496–508.

<sup>12</sup> The original saying goes ‘Cairo writes, Beirut reads and Baghdad prints’.

<sup>13</sup> Op.Cit., “Health and Ecological Sustainability in the Arab World”.

<sup>14</sup> Derek Baldwin, “Dubai population to double by 2027”, *Gulf News*, July 10, 2018, <https://gulfnews.com/going-out/society/dubai-population-to-double-by-2027-1.2249245>.

<sup>15</sup> Ghassan Hasbani, “The 3 types of city shaping the Middle East”, World Economic Forum, May, 2015, <https://www.weforum.org/agenda/2015/05/the-3-types-of-city-shaping-the-middle-east/>.

<sup>16</sup> Op.Cit., “Health and Ecological Sustainability in the Arab World”.

<sup>17</sup> Op.Cit., “Arab Horizon 2030: Prospects for Enhancing Food Security in the Arab Region”, p. 50.

Climate change will worsen the situation by pushing an additional 20% of populations into cities because of dire agricultural and weather conditions, thereby putting pressure on already overburdened and mismanaged infrastructure. By 2035, Sana'a will be the first city in the world to deplete its groundwater reserves – with the rest of Yemen not far behind.<sup>18</sup> Moreover, climate-change related disasters such as droughts, floods and heatwaves will hit informal settlements the hardest: often already built on precarious terrain, with poor sanitation and no access to safe water, they are prone to collapse and ideal breeding grounds for infectious diseases.

## What does this mean?

- > Urbanisation can be accompanied by many benefits if properly managed, but most cities in the region are not prepared for the levels of migration, slum proliferation and weather disasters in the making.
- > If the situation is left unaddressed, some cities in the Middle East and North Africa are exposing themselves to the risk of becoming proliferators of pandemics, civil war and organised crime.
- > The highly centralised nature of Arab states has undermined the efficiency, authority and political power of municipal institutions. In Egypt, for instance, 80%-90% of municipal budgets derive from the central government.
- > Although the region has made efforts to strengthen secondary cities, capitals still dominate the economic and political landscape; a missed opportunity for increasing

diversification, conflict prevention and efficiency.

- > Whenever displaced people return to their country of origin, they are likely to move to cities in search of economic opportunities which are no longer available in rural areas. This will apply to Syria and Yemen.

## PEOPLE BY THE NUMBERS: DEMOGRAPHICS

How many people are born and die in the future is generally considered to be one of the easiest mega-trends to project accurately – but this is not so when it comes to the MENA. Past projections on the region were, on average, 25% too high or too low, with migration flows and potential changes in fertility particularly underestimated.<sup>19</sup> That said, we can still claim with some certainty that by 2030, the region will have 83 million new inhabitants.

But just as with cities, demographic growth is not evenly distributed in the region: more than half of these 83 million people will be clustered in just three countries: 22 million in Egypt, 15 million in Iraq and 8 million in Yemen. But even smaller countries are projected to grow by 40%-50%, including Bahrain, Palestine,<sup>20</sup> Sudan, Syria and Oman. That said, growth is already slowing down and will have begun to reverse in 2030 – in the case of Lebanon, it will match European demographic developments. This is in large parts thanks to a decline in fertility rates: by 2050, almost all Arab countries will have fertility rates below replacement level

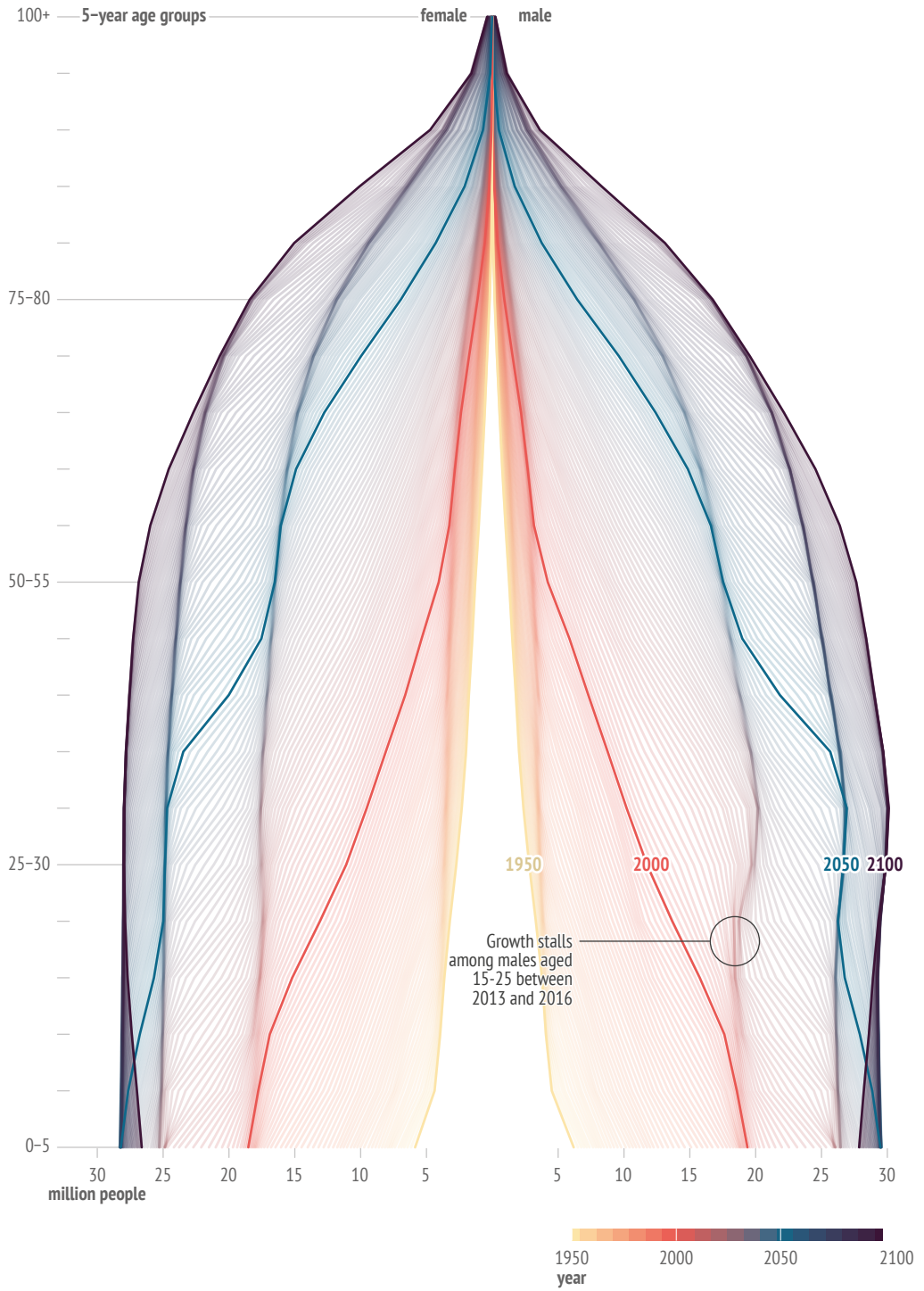
<sup>18</sup> “The State of Arab Cities 2012, Challenges of Urban Transition”, UN-Habitat, 2012, <https://unhabitat.org/books/the-state-of-arab-cities-2012-challenges-of-urban-transition/>.

<sup>19</sup> John Bongaarts and Rodolfo A. Bulatao, *Beyond Six Billion: Forecasting the World's Population* (Washington, DC: The National Academies Press, 2000), p. 37.

<sup>20</sup> This designation shall not be construed as recognition of a state of Palestine and is without prejudice to the individual positions of the member states on this issue.



### Population projection for Arab states by 5-year age group and gender, million people



Data: UN DESA, 2019

– with the exceptions of Palestine, Iraq, Egypt and Sudan.<sup>21</sup>

While the region is often associated with an exploding youth population, it is already beginning to enter its demographic transition from high to low(er) birth and death rates. For instance, in 2035, the average Arab will have a life expectancy of 75 years, up from 71 a decade earlier.<sup>22</sup> In fact, the fastest-growing portion of the population are people over 60, with this share of citizens set to increase to 13.8% by 2050.<sup>23</sup> The effects of this will already be felt in 2030 in the ‘fast agers’: Algeria, Lebanon, Morocco and Tunisia. Egypt, Jordan, Libya, Syria and GCC countries are ‘moderate agers’, set to enter the same phase between 2030 and 2050. The ‘slow agers’, Iraq, Mauritania, Palestine, Sudan and Yemen will see these figures only after 2050.<sup>24</sup>

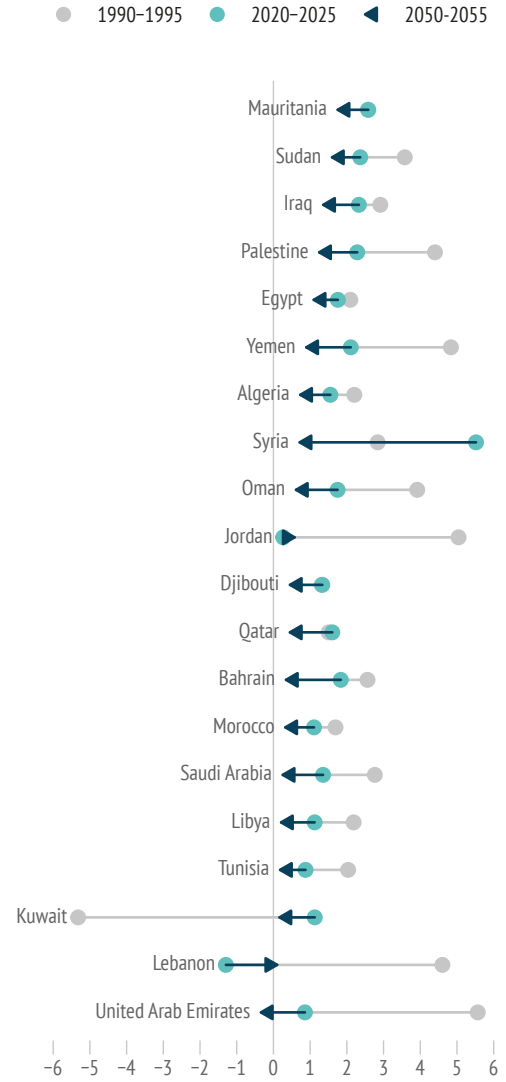
While the ‘youth bulge’ may be shrinking, it will still be relevant in 2030: the share of people under 30 will have decreased from 65% in 2010 to 45%, but it will remain particularly high in Iraq, Syria and Palestine.<sup>25</sup>

Given the dual developments of declining fertility and longer lives, there is an opportunity for a demographic dividend, i.e. economic growth spurred by demographic changes. The window for this will be open between 2018 and 2040.<sup>26</sup>

Regional and international migration and displacement has been on the rise since the 1990s and is therefore likely to still be prominent in 2030. Due to economic conditions alone, an estimated 26 million people from Arab countries live outside of their home country, 11

### Population growth to drop most in Mashreq countries

growth rate, 1990–2020–2050  
(five-year intervals), %



Data: UN DESA, 2019

<sup>21</sup> “Demographic Profile of the Arab Region: Realizing the Demographic Dividend”, United Nations Economic and Social Commission for Western Asia, 2016, <https://www.unescwa.org/publications/demographic-profile-arab-region-2015>.  
<sup>22</sup> “The Future of the Global Muslim Population”, Pew Research Center, January 27, 2011, <http://www.pewforum.org/2011/01/27/the-future-of-the-global-muslim-population/>.  
<sup>23</sup> Musa McKee et al., “Demographic and Economic Material Factors in the MENA Region”, *MENARA Working Papers*, no. 3, October 30, 2017, <https://www.iai.it/en/publicazioni/demographic-and-economic-material-factors-mena-region>.  
<sup>24</sup> “Prospects of Ageing with Dignity in the Arab Region”, UN Economic and Social Commission for Western Asia, *Population and Development Report*, no. 8, 2018, <https://www.unescwa.org/publications/population-development-report-8>.  
<sup>25</sup> Elke Loichinger, “Demographic Profile of the Arab Region: Realizing the Demographic Dividend”, *UN Economic and Social Commission for Western Asia Technical Paper*, no. 3, 2016, <https://www.unescwa.org/publications/demographic-profile-arab-region-2015>; Roudi and Farzaneh, “Youth Population & Employment in the Middle East and North Africa: Opportunity or Challenge?”, July, 2011, <http://www.un.org/esa/population/meetings/egm-adolescents/roudi.pdf>.  
<sup>26</sup> Elizabeth Dalling, “MENA Generation 2030: Investing in Children and Youth Today to Secure a Prosperous Region Tomorrow”, United Nations Children’s Fund, April, 2019, <https://www.unicef.org/mena/media/4141/file/MENA-Gen2030.pdf>.

million of which are outside the MENA – almost 5.7 million more than in 2010 and 15 million more than in 1990.<sup>27</sup> Sending countries are mainly Palestine, Syria, as well as Egypt, while destination countries are mainly in the Gulf, Lebanon and Jordan.<sup>28</sup>

These numbers do not include citizens that were displaced due to conflict. This, too, is a growing phenomenon in the region (numbers increased by 142% between 1990 and 2015), with the MENA hosting the largest population of displaced persons in the world: 16 million people in 2019, of which 11 million are Internally Displaced People (IDPs) and 3 million are refugees (not including Palestinians, which total 5.2 million refugees)<sup>29</sup>. High levels of internal displacement due to conflict and violence also persist in Sudan and Yemen, with IDP populations of 2 million, respectively.<sup>30</sup> Studies of displaced populations from Bosnia and Herzegovina, Burundi and Afghanistan bear witness to the fact that refugees are unlikely to return to post-conflict zones that lack security and economic opportunities, or where governance is weak and services are inadequate.<sup>31</sup>

## What does this mean?

> The region can only leverage the benefits of the demographic dividend if it

reduces instability and violence, inequitable economic and social policies and unemployment.

- > Because the labour force will continue to grow (between today and 2050, the region will have to generate 300 million new jobs), job creation (especially for the youth) will continue to be a pressing priority for Arab states.<sup>32</sup>
- > Somewhat counterintuitively, conflict generates higher birth rates amidst high levels of casualties due to what is called the ‘insurance effect’: in uncertain circumstances, children ensure a minimum level of income and can therefore act as a strategy against financial insecurity. In the region, this applies mainly to Palestine, Iraq, Syria and Yemen.<sup>33</sup>
- > Tensions and conflict can also be fuelled by demographics: by 2030, Israel and Palestine will near population parity, for instance. Elsewhere, Syrian and Palestinian refugee populations in Lebanon are already upsetting the delicate political equilibrium due to their growth. A UN survey in Lebanon found that 38% of those questioned believed there was tension due to increased competition for employment as a result of the influx of Syrians.<sup>34</sup>
- > Brain drain is an increasing burden for states in the region: since 1990, the number of

27 “Migration in the Arab Region and the 2030 Agenda for Sustainable Development”, *2017 Situation Report on International*, United Nations and International Organization for Migration, 2018, p. 17, 23 and 48.

28 *Ibid.*, p. 15.

29 *Ibid.*, p. 48.

30 “2018 Internal Displacement Figures by Country”, Internal Displacement Monitoring Centre, 2017, <http://www.internal-displacement.org/database/displacement-data>.

31 Patricia Weiss Fagen, “Refugees and IDPs after Conflict: Why they do not go Home”, *US Institute of Peace Special Report*, 2011, [http://www.operationspaix.net/DATA/DOCUMENT/4207~v-Refugees\\_and\\_IDPs\\_after\\_Conflict\\_\\_Why\\_They\\_Do\\_Not\\_Go\\_Home.pdf](http://www.operationspaix.net/DATA/DOCUMENT/4207~v-Refugees_and_IDPs_after_Conflict__Why_They_Do_Not_Go_Home.pdf).

32 “Fixing the Education Crisis in the Middle East and North Africa”, November 13, 2018, The World Bank, <https://www.worldbank.org/en/news/opinion/2018/11/13/fixing-the-education-crisis-in-the-middle-east-and-north-africa>.

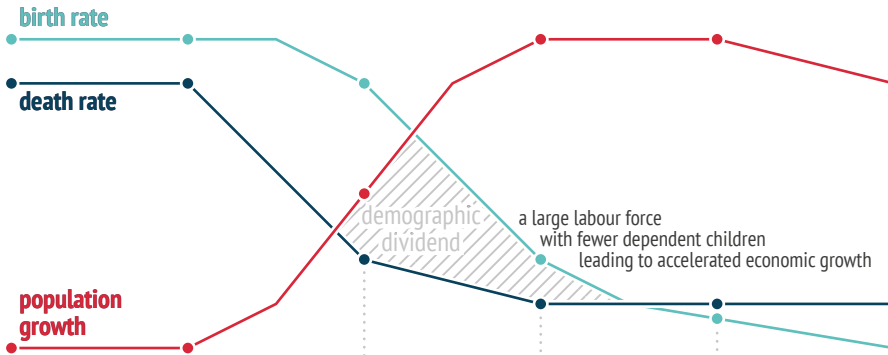
33 Debarati Guha-Sapir and Olivia D’Aoust, “Demographic and Health Consequences of Civil Conflict”, *World Development Report 2011*, The World Bank, October, 2010, <http://documents.worldbank.org/curated/en/846241468332341893/Demographic-and-health-consequences-of-civil-conflict>.

34 “Syrian Refugees in Lebanon Eight Years On: What Works and Why that Matters for the Future”, Care International in Lebanon, November 12, 2018, p. 8.

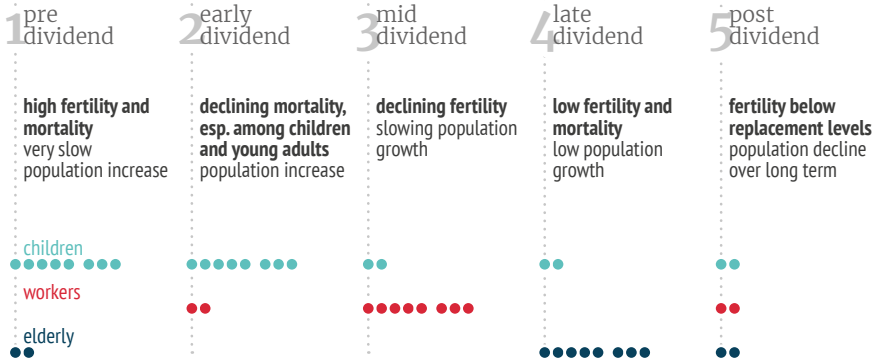
# The demographic dividend

how demographic transitions can accelerate economic growth

## DEMOGRAPHIC TRANSITION

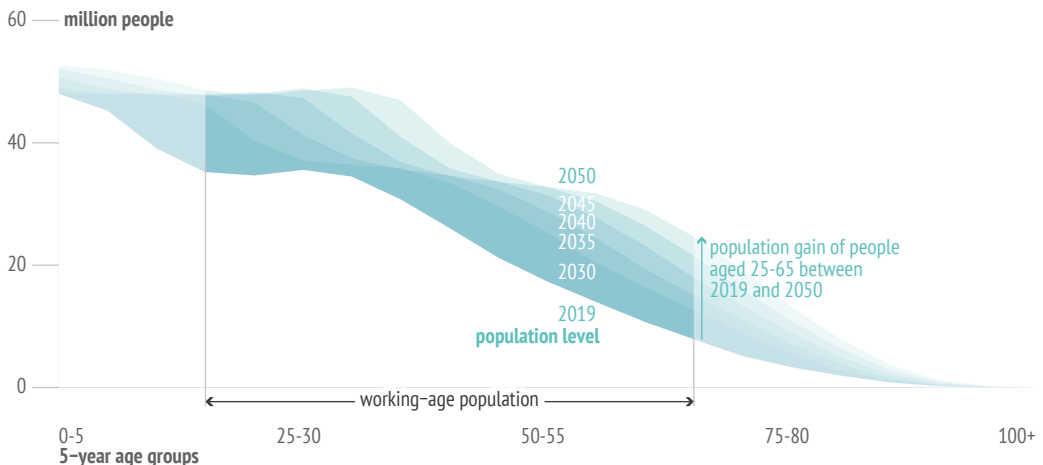


## DEMOGRAPHIC DIVIDEND



## ...in numbers

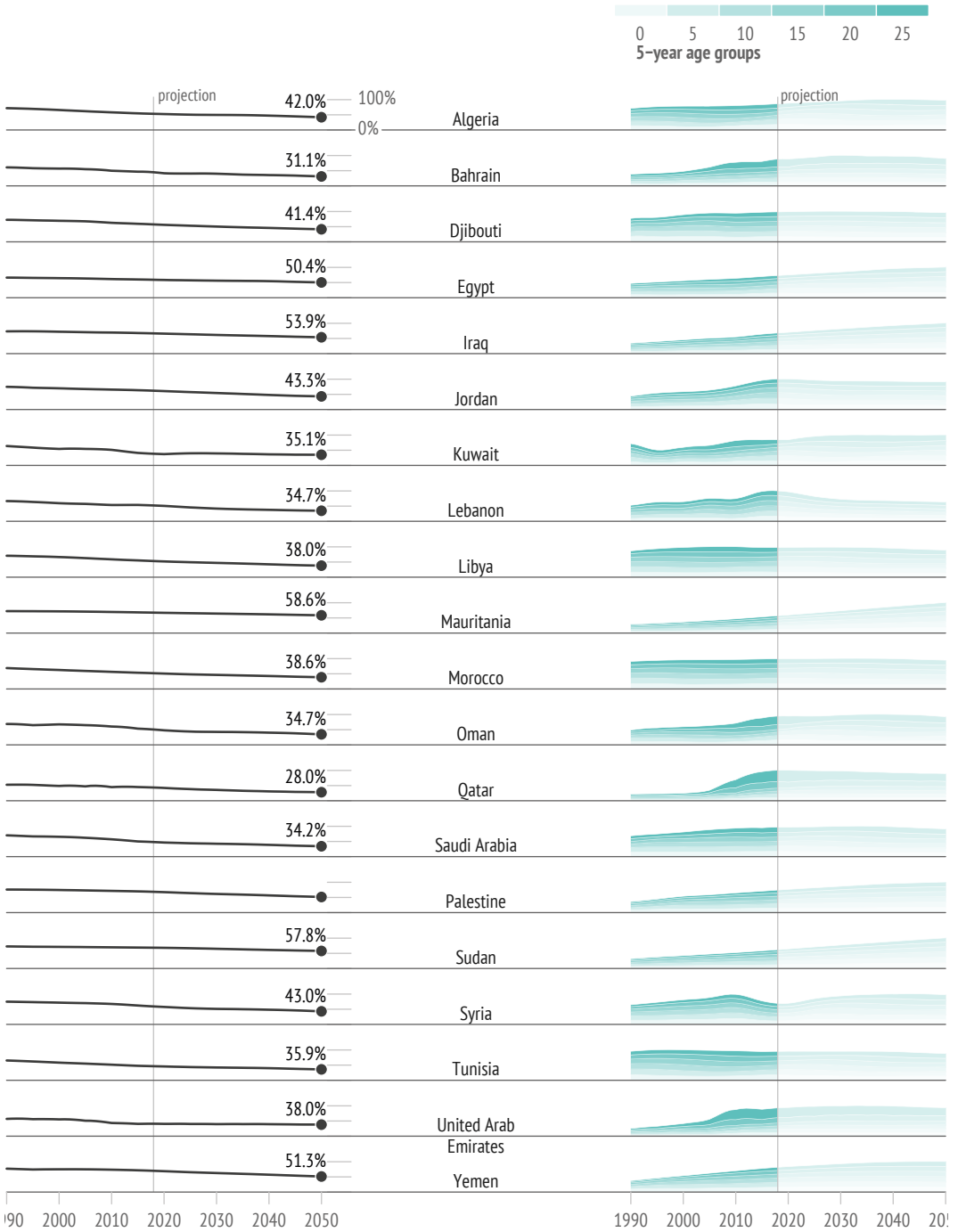
The labour market in Arab countries will gain 149 million people by 2050, an increase of 61%



### The youth-bulge is un-bulging...

under 25-year-olds as share of total population, 1990-2050, %

...even though there'll be more young people in absolute terms  
population under 25, 1990-2050, millions



Data: UN DESA, 2019

university degree holders from the Maghreb who have left to Europe has doubled.<sup>35</sup> Surveys also indicate that many young Arabs have a strong desire to emigrate – in cases like Jordan or Morocco, it is reaching 40%.<sup>36</sup>

- > Continued demographic growth means that the region is facing an increased demand for new or improved infrastructure (roads, bridges, internet and electricity).
- > Youths have the potential to be positive change-makers in the region, but only if given the opportunity to do so.<sup>37</sup>
- > The Arab region is completing its demographic transition three times faster than Europe. Without sound policies in place, it will face an elderly population in need of welfare without the means to support it.

## THE HUNGER GAMES: FROM FOOD TO CRISIS

That the MENA has a food security problem is by now common knowledge. Its growing population has led to an increase in demand since the 1980s, while rising incomes have led to an increase in meat consumption. Despite improved agricultural methods, these needs cannot be met by domestic production alone. Currently, half of all food staples (50% of wheat and barley, 40% of rice and almost 70%

of maize) across the region are imported, with this set to rise to 64% by 2030.<sup>38</sup> Despite having 5% of the world's population, the MENA accounts for one-third of the world's lamb imports and consumes more than a one-quarter of the milk and wheat on the world market.<sup>39</sup> To make matters worse, the region's arable land has always been one of the world's smallest (around one-third of what European states possess) – and it has been shrinking over the last few years due to population growth and environmental damage.<sup>40</sup>

This means that all states in the region are at risk when it comes to the affordability, availability or safety of food supplies. Even though matters are somewhat better in the Gulf states, they too face challenges due to extreme heat and the very small arable surface available. Of course, states in which spending on food imports exceeds their total fiscal surplus are most at risk. GCC countries spend around 5% of export earnings on food imports, while elsewhere the figures are much higher. Saudi Arabia, for instance, imports 90% of its grain, but its fiscal surplus means that it has the ability to suppress food price inflation or raise wages to make up for higher food costs. In contrast, Egypt, which is able to meet almost half of its food requirements, runs a fiscal deficit of around 10% of its GDP. This means Egyptians would be much harder hit by food price inflation – and this would disproportionately affect the 13 million Egyptians living on less than \$2 per day.<sup>41</sup>

The problem with this import dependency stems from fluctuating food prices, which has at times doubled or tripled within only a matter of months. Poor communities, especially in

35 Amine Ben Naceur, "Quand le Maghreb perd ses talents", *Med Dialogue Series*, no.21, Konrad Adenauer Stiftung, July, 2019, <https://www.kas.de/documents/282499/282548/Brain+drain+%28FR+final+article%29.pdf/607063f3-6879-4702-d0da-530dc b85137d?version=1.0&t=1562595694460>.

36 "The Arab world in seven charts: Are Arabs turning their backs on religion?", *BBC News*, June 24, 2019, <https://www.bbc.com/news/world-middle-east-48703377>.

37 "What do 200 million Arab Youth have to say about their Future?", *Arab Youth Survey*, 2019, <https://www.arabyouthsurvey.com/findings.html>; "Opinion Polls", *The Arab Millennial*, 2019, <https://arabmillennial.net/opinion-polls/>.

38 Op.Cit., "Arab Horizon 2030: Prospects for Enhancing Food Security in the Arab Region", p. 18.

39 Ibid., p. 75.

40 "Global Food Security Index 2018: building resilience in the face of rising food-security risks", The Economist Intelligence Unit, 2018, p.10, <https://foodsecurityindex.eiu.com/Resources>.

41 Op.Cit., "Food in an Uncertain Future", p. 13.

low-income countries such as Egypt, are extremely vulnerable to such price shocks. In the past, this has led to social unrest. If states use subsidies to supplement food production, they come under great strain when global food prices rise as well.<sup>42</sup>

Vulnerability to supply and price shocks is also exacerbated when countries rely on a relatively small number of suppliers for their food imports. The MENA is particularly reliant on wheat and most Arab states import primarily from just two sources, Russia and France (66% of the world's wheat is exported by just five countries).<sup>43</sup> When Russia experienced wheat yield losses between 2008 and 2019 thanks to heatwaves and wildfires, this led to export restrictions by the Russian government, which, in turn, led to increased wheat prices in the Arab world.

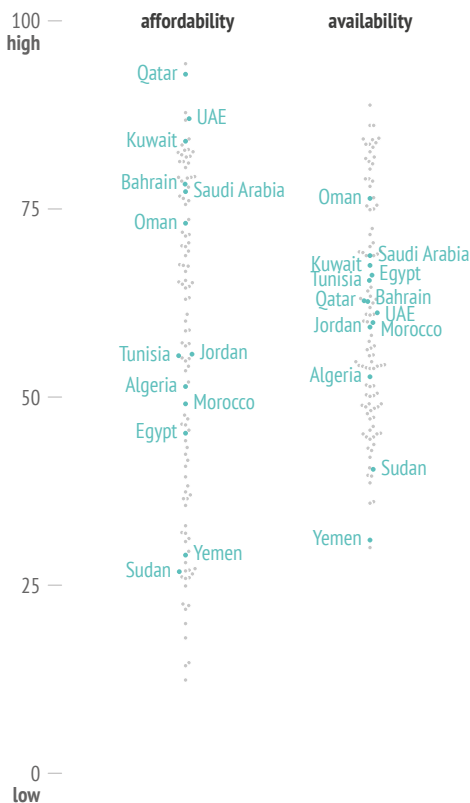
Conflict also threatens Arab food security: it damages infrastructure and crops, stifles economic activity and pollutes the environment. Corruption, too, contributes to food insecurity as money is siphoned off from various schemes and markets are distorted.

While Arab governments are acutely aware of the problem and have addressed it since the Arab Spring, they are, however, playing catch up with climate change. Food production will be among the first sectors to experience the fallout of increased temperatures – soil depletion, polluted water and extreme weather events are all projected to hurt food production in both the region and the states it imports from.

Somewhat in contrast to this crisis in food availability, the region also is suffering from a growing epidemic of obesity. More than half of the world's top 20 states with the highest levels of obesity are located in the region: Kuwait ranks 11th globally, ahead of the United States, followed closely by Jordan, Saudi Arabia, Qatar,

## Availability and affordability of food in Arab countries

in global perspective, Food Security Index score, October 2018 Model



Data: Economist Intelligence Unit, 2019

Lebanon, the UAE, Iraq, Bahrain, Syria, Oman and Morocco.

## What does this mean?

- > States in the region could increase spending on agricultural research and development (R&D) and explore climate change scenarios in order to adapt early to the conditions to come.

<sup>42</sup> Victoria Levin, Matteo Morgandi and Joana C.G. Silva, "Inclusion and Resilience: The Way Forward for Social Safety Nets in the Middle East and North Africa", The World Bank, 2013, <http://documents.worldbank.org/curated/en/248591468052751183/Inclusion-and-resilience-the-way-forward-for-social-safety-nets-in-the-Middle-East-and-North-Africa-overview>.

<sup>43</sup> Christopher Bren d'Amour et al., "Teleconnected Food Supply Shocks", *Environmental Research Letters*, vol. 11, no. 3 (2016), pp. 2–8.

- > Supply shocks can be caused by harvest failures, but also by policy interventions such as export bans (often in response to domestic supply problems). In other words, shocks are normally sudden events which are difficult – but not impossible – to anticipate.<sup>44</sup>
- > Should Russia decide to export its wheat elsewhere instead of the region, this would have hugely destabilising consequences.
- > Investment in productivity and the intensification of farming, particularly through irrigation, could help. Studies show that a 25% increase in yield would increase the Arab region's self-sufficiency ratio from 34% to 41% by 2030.<sup>45</sup>
- > Grain could be stockpiled to act as a buffer in the case of a sudden price shock. Saudi Arabia currently has wheat reserves for eight months and aims to increase this to 12 months in the near future. If all countries in the region had just three months' reserves, this could decrease the effects of a price shock by 30–50%.<sup>46</sup> Once again, however, this approach is unlikely to be adopted outside of the GCC.
- > The diversification of diets is being explored; already, some governments are seeking to encourage greater seafood consumption, which also has the potential to provide jobs. Saudi Arabia's Vision 2030, for instance, includes the stated goal to increase seafood consumption by 7.4% by 2030 to 20kg per person per year.<sup>47</sup>

- > Obesity is directly linked to rapid and unplanned urbanisation: where cities lack playgrounds, parks and gardens, outdoor physical activities are unlikely to take place.

## ARABIA GOES ONLINE

The internet arrived later in the Arab world than elsewhere, but it has arrived nonetheless. By 2030, the Gulf states will have reached penetration levels of 85%–90% (similar to Europe), Morocco and Jordan will have advanced to above 75% and Tunisia and Egypt to above 50%. The lowest levels of internet access will be found in Algeria and Iraq, but recent progress has been noticeable there, too. Since 2009, when only 15% of the region was online, the MENA has come a very long way – its annual growth rate stood at 2500% in 2019.<sup>48</sup> This has been facilitated by equally rapidly advancing literacy rates – where the region made much faster progress than South Asia and sub-Saharan Africa<sup>49</sup> – and mobile cellular subscriptions which have now surpassed 100%.<sup>50</sup>

That said, most of the region's digital activity is not yet used for commercial purposes: only 1.5% of retail sales take place online and a mere 7% of businesses in the region have a digital presence. In part, this is to do with the fact that the MENA holds the world's largest number of 'unbanked' adults, with only 8% possessing a bank account.<sup>51</sup> But the digital growth that has occurred has largely been the result of adapted

<sup>44</sup> Ibid.

<sup>45</sup> Op.Cit., "Climate Change and Disaster Risk Reduction in the Arab Region", pp. 113–114.

<sup>46</sup> Ibid., pp. 122–125.

<sup>47</sup> Matt Craze, "Saudi Arabia invites foreign investors to build fish farms for Prince's 2030 plan", *Undercurrent News*, June 4, 2019, <https://www.undercurrentnews.com/2019/06/04/saudi-arabia-invites-foreign-investors-to-build-fish-farms-for-princes-2030-plan/>.

<sup>48</sup> "Half the World's Population will be Online by 2030", *Euromonitor International*, April, 2016, <https://blog.euromonitor.com/half-the-worlds-population-will-be-online-by-2030/>; "Individuals Using the Internet (% of population)", *World Bank*, <https://data.worldbank.org/indicator/IT.NET.USER.ZS?end=2017&locations=ZQ&start=2007>.

<sup>49</sup> "Literacy Rates Continue to Rise from One Generation to the Next", *UNESCO Fact Sheet*, no.45, September, 2017, <http://uis.unesco.org/sites/default/files/documents/fs45-literacy-rates-continue-rise-generation-to-next-en-2017.pdf>.

<sup>50</sup> "Mobile Cellular Subscriptions (per 100 people)", *World Bank*, <https://data.worldbank.org/indicator/IT.CEL.SETS.P2>.

<sup>51</sup> Sonny Zulu, "Aim for full financial inclusion in the Middle East", *Gulf News*, May 14, 2019, <https://gulfnews.com/business/analysis/aim-for-full-financial-inclusion-in-the-middle-east-1.63929386>.



solutions such as ‘cash on delivery’. That said, although Arabic-speaking users of the web are increasing, the number of pages in Arabic remains negligible at 3%, reducing opportunities for business further (83% of Arabs browse the web in their own language).<sup>52</sup> Yet the digital market has considerable potential, with its value currently expected to triple to \$28.5 billion by 2022.<sup>53</sup>

The region is increasingly the target of financial criminals due to its poor online awareness, both at an institutional and individual level.<sup>54</sup> For instance, in late 2012 and early 2013 an international gang hacked into banks in Oman and the UAE, withdrawing \$45 million from cash machines in 27 countries. In 2018, 41% of Gulf-based companies reported cyber hacks, with Saudi and Emirati firms losing upwards of \$5.3 million in the first eight months of 2018 alone.<sup>55</sup>

The internet is therefore mainly used for social purposes, information and entertainment.<sup>56</sup> It is also a place where governments detect and monitor opposition.<sup>57</sup> In Egypt, new media regulations grant the government even more power than before: social media accounts with over 5,000 followers can be suspended if they are deemed a threat to national security

and the spreading of ‘fake news’ is punishable with a fine of up to 250,000 Egyptian pounds (€13,400). In the run-up to the constitutional amendments in spring 2018, 34,000 websites were shut down, a practice that has become commonplace since the toppling of President Morsi.<sup>58</sup> But while Egypt is leading the pack, it is not alone in using the internet as a tool against the opposition: Bahrain, Saudi Arabia and the UAE are all particularly active when it comes to online surveillance.<sup>59</sup> While governments were overwhelmed by online activism in 2011, they have now acquired the capabilities to act against it.<sup>60</sup>

Beyond clamping down on domestic opponents, states also use this increased connectivity to conduct cross-border cyber-attacks and espionage. In 2012, the Saudi Arabian Oil Company (Aramco) was perhaps the first to suffer a serious attack (which resulted in a complete shut-down of the company’s digital infrastructure), but it was far from the last. During the diplomatic fallout between Qatar and its neighbours, several institutions – from Doha’s state news agency to Al Jazeera – were the object of cyber-attacks. Last but not least, the internet is also used by terrorist organisations within the region: most prominently Daesh, but al-Qaeda

52 “Online Arabic Content Lags in Comparison to Boom in Users”, Criterion Global, <https://criterionglobal.com/shortage-of-online-arabic-content-for-growing-arab-internet-user-base/>; “The 2017–2018 Arab Opinion Index: Main Results in Brief”, The Arab Center for Research and Policy Studies, July 10, 2018, <http://arabcenterdc.org/survey/2017-2018-arab-opinion-index-executive-summary/>.

53 Cyrille Fabre et al., “E-commerce in MENA: Opportunity Beyond the Hype”, Bain & Company, February 19, 2019, <https://www.bain.com/insights/ecommerce-in-MENA-opportunity-beyond-the-hype/>.

54 Sameh Aboul-Enein, “Cybersecurity Challenges in the Middle East”, GCSP Geneva Paper Research Series, no. 22, April, 2017 <https://www.gcsp.ch/News-Knowledge/Publications/Cybersecurity-Challenges-in-the-Middle-East>.

55 Russell Seeger, “The New Battlefield: Cyber Security Across the GCC”, Gulf International Forum, October 29, 2018, <https://gulfilf.org/the-new-battlefront-cyber-security-across-the-gcc/>.

56 Edgar Göll and Jakob Zwiers, “Technological trends in the MENA region: The Cases of Digitalization and Information and Communications Technology (ICT)”, MENARA Working Papers, no. 23, November, 2018; Sara Alshaer and Fadi Salem, “The Arab World Online: Trends in Internet-Usage in the Arab Region”, Dubai School of Government, April, 2013, <https://www.mbrsg.ae/getattachment/5147489c-d2f8-43c1-b54d-9bb29690341f/The-Arab-World-Online-Trends-in-Internet-Usage-in>.

57 Yarno Ritzen, “‘It exists to demobilise opposition’: How Twitter fails Arabs”, Aljazeera, July 16, 2019, <https://www.aljazeera.com/news/2019/07/exists-demobilise-opposition-twitter-fails-arabs-190716080010123.html>.

58 “Egypt blocks over 34,000 websites in attempt to ‘shut down’ constitutional amendments opposition campaign”, Mada Masr, April 16, 2019, <https://madamasr.com/en/2019/04/16/news/u/egypt-blocks-over-34000-websites-in-attempt-to-shut-down-constitutional-amendments-opposition-campaign/>.

59 Elisa Miller, “Egypt Leads the Pack in Internet Censorship Across the Middle East”, MENA Source, August 28, 2018, <https://www.atlanticcouncil.org/blogs/menasource/egypt-leads-the-pack-in-internet-censorship-across-the-middle-east>.

60 Mark Mazzetti, “A New Age of Warfare: How Internet Mercenaries Do Battle for Authoritarian Governments”, *The New York Times*, March 21, 2019, <https://www.nytimes.com/2019/03/21/us/politics/government-hackers-nso-darkmatter.html#>.

and others communicate with followers, raise funds and spread their message online.<sup>61</sup>

place (and lacks the awareness) to prevent harmful online behaviour.

## What does this mean?

- > While the internet can help generate economic growth in the region, it will first have to avoid the hyper-politicisation it is currently subjected to.
- > The majority of the region accesses the internet through satellites as fixed broadband coverage is very poor. As a result, most online growth has occurred thanks to the mobile phone. There currently seems little political appetite to invest in cable or fibre optic broadband, meaning less digital innovation and thus less economic growth – start-ups need access to broadband and desktops, even if it is to create apps for mobile phones, for instance.
- > Users in the region are currently largely limited to using apps and most (young) people will use the internet to access social media.
- > As states hone their capabilities to monitor opponents online, contestation in the political sphere simply moves elsewhere: either to new platforms or to ‘old-fashioned’ media such as radio and newspapers. New forms of contestation, such as flash mobs, are an increasing possibility.
- > Although the region appears less vulnerable to cyber-attacks than Europe because it still is largely offline, it has very few measures in

## FLICKING THE SWITCH? MIDDLE EAST ENERGY TRENDS

In energy terms, the decade ahead looks relatively stable for the Middle East – but change is on the horizon. The region still possesses the majority of world’s oil reserves (64.5%) and the growth of the global middle class, especially in Asia, means that its market is set to expand. It is, however, worth noting that demand from Europe is to drop at more or less the same speed as China and India’s demand is projected to grow.<sup>62</sup> Some states, such as Iraq and Saudi Arabia, are projected to increase their output over the next decade.<sup>63</sup> Global oil prices are moderately increasing along with demand, guaranteeing a reliable source of income. Gas production is set to increase by 30%, too, especially in Qatar, but also in Saudi Arabia.<sup>64</sup> This means that the ‘end of oil’, which has been proclaimed numerous times in 1924, 1963, 1990 or 2005, is not yet in sight.<sup>65</sup>

But as Sheikh Ahmed Zahi Yamani, the long-time Saudi oil minister and a key founder of OPEC (Organisation of the Petroleum Exporting Countries), said, “the stone age

61 Kate Cox et al., “Social Media in Africa: A Double-Edged Sword for Security and Development”, *RAND External Publication*, November 5, 2018, [https://www.rand.org/pubs/external\\_publications/EP67728.html](https://www.rand.org/pubs/external_publications/EP67728.html).

62 “OPEC share of world crude oil reserves, 2018”, Organisation of the Petroleum Exporting Countries, 2019, [https://www.opec.org/opec\\_web/en/data\\_graphs/330.htm](https://www.opec.org/opec_web/en/data_graphs/330.htm); James Griffin et al., “World Oil Outlook 2040”, Organization of the Petroleum Exporting Countries, October, 2017, [www.opec.org/opec\\_web/web%2Fflipbook%2FWOO2017%2FWOO2017%2Fassets%2Fcommon%2Fdownloads%2FWOO%25202017.pdf&usg=AOvVawogW7FcBrngNgtMD2Fxup98](http://www.opec.org/opec_web/web%2Fflipbook%2FWOO2017%2FWOO2017%2Fassets%2Fcommon%2Fdownloads%2FWOO%25202017.pdf&usg=AOvVawogW7FcBrngNgtMD2Fxup98), p. 109.

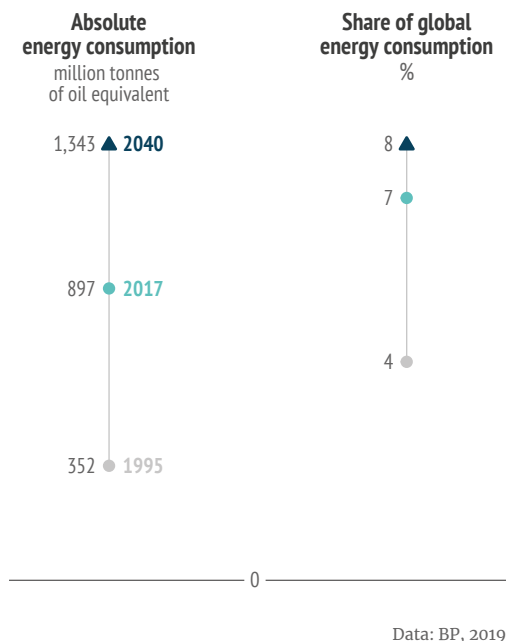
63 César Alejandro Hernández Alva et al., “Iraq’s Energy Sector: A Roadmap to a Brighter Future”, International Energy Agency, April 25, 2019, [https://www.connaissancedesenergies.org/sites/default/files/pdf-actualites/Iraq\\_Energy\\_Outlook.pdf](https://www.connaissancedesenergies.org/sites/default/files/pdf-actualites/Iraq_Energy_Outlook.pdf).

64 Bassam Fattouh and Amrita Sen, “Saudi Arabia’s Vision 2030, Oil Policy and the Evolution of the Energy Sector”, *Oxford Energy Comment*, Oxford Institute for Energy Studies, July, 2016, <https://www.oxfordenergy.org/publications/saudi-arabias-vision-2030-oil-policy-evolution-energy-sector/?v=11aedd0e4327>.

65 John Vidal, “The end of oil is closer than you think”, *The Guardian*, April 21, 2005, <https://www.theguardian.com/science/2005/apr/21/oilandpetrol.news>.

## The thirst for energy is rising

past and projected energy consumption, 1995-2017-2040



came to an end, not for lack of stones, and the oil age will end, but not for lack of oil.”<sup>66</sup> Although depletion is still at least decades away (Saudi Arabia is currently projected to not exhaust oil reserves until 2090),<sup>67</sup> there are other, more pressing trends that are altering regional energy production, demand and exports.

The first trend is an increase in domestic demand due to economic and demographic growth: whereas oil-exporting Arab states used to consume about 20% of their oil, it now

stands at 33%. By 2025, states in the region have to increase their electricity generation capacity by 40% to meet domestic demands – in some cases, like Iraq or Jordan, electricity demands will double or even triple by 2030. This is a trend that is likely to continue well into 2030 at growth rates of 2.3% per year. Most of this increased domestic demand is met through oil and gas, while renewable energy plays currently a very minor role in regional energy needs.<sup>68</sup> In addition, the number of cars on the road is projected to grow by 7% in the region.<sup>69</sup> That said, Saudi Arabia is unlikely to ‘run out of oil to export by 2030’, as some reports claimed – but it now has a keen awareness of the growing domestic challenge.<sup>70</sup>

This trend is flanked by a growing awareness about climate change and its impact on global energy consumption both within the region and elsewhere. Regardless of oil and gas availability, global energy needs increasingly must be met with CO<sub>2</sub>-friendly resources, with Europe already set to draw one-third of its energy from renewable sources by 2030.<sup>71</sup> In addition, technological progress is triggering profound changes, such as changes in the transport sector (currently the biggest consumer of fossil fuel) or renewable energy thanks to new storage systems.

Although a shift to renewable energy seems a distant prospect (with the exception of Morocco, which already draws 35% of its mix from this resource and is aiming for 52% by 2030), awareness of and investments in the sector are growing fast.<sup>72</sup> The UAE, for instance,

66 “The End of the Oil Age”, *The Economist*, October 23, 2003, <https://www.economist.com/leaders/2003/10/23/the-end-of-the-oil-age>.

67 Andy Critchlow, “Saudi Arabia has more oil than we may ever need”, *The Telegraph*, January 12, 2019, <https://www.telegraph.co.uk/business/2019/01/12/saudi-arabia-has-oil-may-ever-need/>.

68 Norhan Bayomi and John E. Fernandez, “Towards Sustainable Energy Trends in the MiddleEast: A Study of Four Major Emitters”, *Energies*, vol. 12, no. 9 (2019), pp. 1–20; Jude Clemente, “The Middle East’s Growing Oil Demand Problem”, *Forbes*, May 29, 2015, <https://www.forbes.com/sites/judeclemente/2015/03/29/the-middle-east-s-growing-oil-demand-problem/#533c68eb44af>.

69 “Global players express optimism in region’s \$15 billion auto parts and accessories market”, *Middle East Construction News*, May 31, 2019, <http://meconstructionnews.com/34085/21-million-cars-in-use-in-the-middle-east-in-2018>.

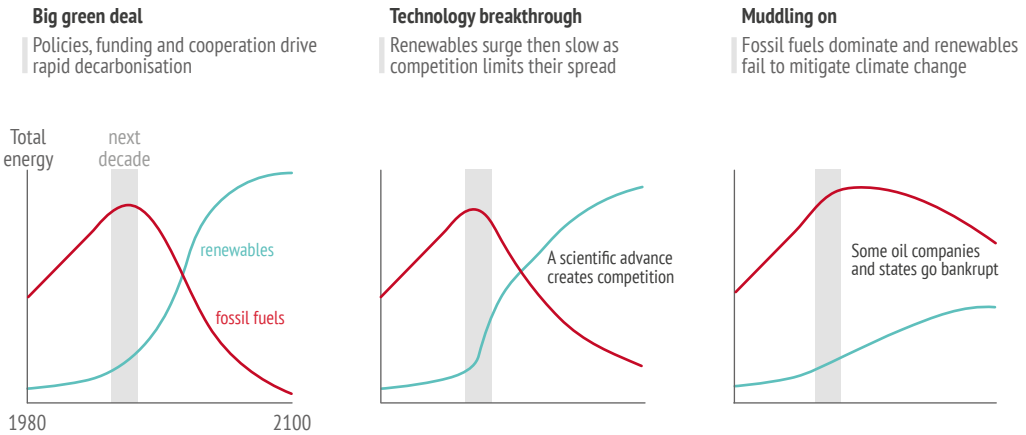
70 Emily Gosden, “Saudis ‘may run out of oil to export by 2030’”, *The Telegraph*, September 5, 2012, <https://www.telegraph.co.uk/finance/newsbysector/energy/oilandgas/9523903/Saudis-may-run-out-of-oil-to-export-by-2030.html>; “Will the oil run out?”, *The Economist*, February 8, 2001, <https://www.economist.com/special-report/2001/02/08/will-the-oil-run-out>.

71 Jessica Shankleman and Hayley Warren, “This Is What the Demise of Oil Looks Like”, *Bloomberg*, July 26, 2017, <https://www.bloomberg.com/graphics/2017-oil-projections/?srnd=climate-changed>.

72 John Lystad, “Morocco Ranks 13th in Global Renewable Energy Attractiveness Rating”, *Morocco World News*, May 22, 2019, <https://www.moroccoworldnews.com/2019/05/273850/morocco-global-renewable-energy/>.

## Energy transition scenarios

Geopolitics in the next decade will dictate whether or how fast energy from renewable sources will outpace that from fossil fuels, as these four scenarios depict.



Data: Nature, 2019

is planning to spend \$160 billion on renewables by 2030 and aims to generate two-thirds of its electricity from carbon-free sources by 2050.<sup>73</sup> Should the GCC meet its own renewable energy targets by 2030, the equivalent of 354 million barrels of oil would be saved, thereby helping to reduce emissions by 136 million tonnes of CO<sub>2</sub>. It could also create 220,000 jobs and reduce water withdrawal for power production and associated fuel extraction by 11.5 trillion litres (a 17% decrease).<sup>74</sup> Elsewhere, Algeria is aiming for 27% renewables in its energy mix by 2030, but Iraq, despite its potential, currently has set no targets in this sector.<sup>75</sup>

Simply put: renewable energy has the potential to maintain – or even increase – the region’s status as a global energy power. This applies even to states that are currently not exporting much fossil fuel, such as Egypt. Cairo has

declared its intention to draw 42% of its energy mix from renewables by 2035, mainly from solar and wind energy. But several obstacles remain: to fully develop its renewable energy potential, Egypt would have to reduce subsidies even further and reallocate funds to new technologies.<sup>76</sup> This subsidies conundrum equally applies to Jordan. Elsewhere, Lebanon and Tunisia are equally aiming at 30% of renewables in their 2030 energy mix.<sup>77</sup>

Finally, the energy sectors of conflict states are also undergoing important changes – but not in a constructive way. Syria’s oil and gas sector has been hit especially hard both by war and sanctions, dwindling to 5% of its pre-war output. A new energy cooperation framework signed with Russia in 2018 aims to repair damage worth an estimated \$35–\$40 billion, but it obviously comes with political strings attached

<sup>73</sup> Douglas Broom, “How solar is powering the Middle East towards renewables”, World Economic Forum, March 26, 2019, <https://www.weforum.org/agenda/2019/03/solar-is-powering-the-middle-east-towards-renewables/>.

<sup>74</sup> “Middle East Energy in the 21st century”, *Middle East Business Intelligence*, vol. 3, April, 2019, [https://www.meed.com/wp-content/uploads/2019/04/V5\\_Mashreq\\_Energy-Report\\_Middle-East-Energy-in-21st-Century.pdf](https://www.meed.com/wp-content/uploads/2019/04/V5_Mashreq_Energy-Report_Middle-East-Energy-in-21st-Century.pdf).

<sup>75</sup> “Algeria to increase investment in renewable energy”, Economist Intelligence Unit, February 23, 2018, <https://www.eiu.com/industry/article/906462074/algeria-to-increase-investment-in-renewable-energy/2018-02-23>.

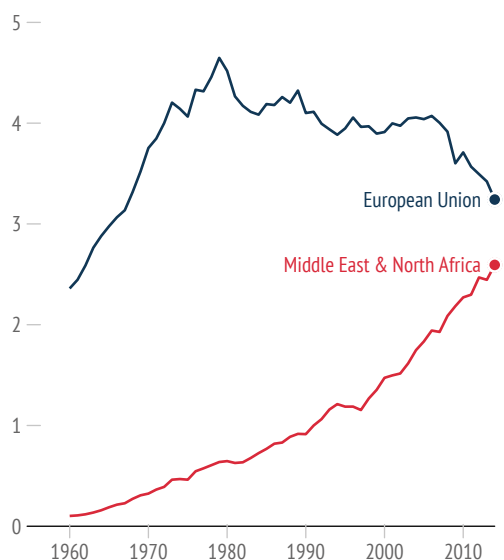
<sup>76</sup> “Renewable Energy Outlook: Egypt”, IRENA, October, 2018, <https://www.irena.org/publications/2018/Oct/Renewable-Energy-Outlook-Egypt>.

<sup>77</sup> Saltanat Berdikieva, “Powering the Troubled Kingdom: The Rise of Renewable Energy in Jordan”, *Inside Arabia*, July 6, 2018, <https://insidearabia.com/powering-troubled-kingdom-rise-of-renewable-energy-in-jordan/>.

and gives Moscow oversight over Syria's fossil fuel sector. Needless to say, renewable energy currently makes up very little of Syria's energy mix (2%) and there are no plans to improve on this.<sup>78</sup> Things do not look much better in Yemen, where a twofold population increase, war, poor access to electricity and declining oil revenues have set the country on the path of energy scarcity. In Libya, the energy sector is at the centre of political quarrels: accordingly, output and reform is impaired by fighting.

### MENA CO2 emissions approach EU levels

1960–2014, gigatonnes



Data: World Bank, 2019

### What does this mean?

- > The high risks of conflict and insecurity in the region affect all energy sectors. This destabilises global oil prices and undermines the shift towards renewable energy.

- > Terrorism is partly responsible for the delay in renewable energy development as energy infrastructure is highly vulnerable.<sup>79</sup>
- > Growing cities will mean higher energy needs – the vast majority of which is required for buildings, including lighting and air conditioning (the latter also exacerbated by the projected increase in temperature).<sup>80</sup>
- > Reducing energy subsidies in a difficult economic environment runs the risk of sparking unrest in countries such as Egypt and Jordan.
- > As the region's export markets shift to Asia, its relations with China in particular are set to strengthen. But as China determinedly moves towards renewable energy, the region might well lose clients from 2030 onwards.
- > Switching to renewable energy requires investment which is not always available to some Arab states.

## A NEW (ARAB) WORLD ORDER

Although the Middle East and North Africa is a sub-region of the international system, it is only recently that it is seen as a player in its own right. Over a century of colonialism and regular outside interference has meant that the region was more of an object than a subject in international relations terms.

This is set to change in the decade ahead: first, because the international system will be more divided by 2030 – not into two or more 'poles' but into multiple nodes. 'Poles', which are a Cold War term describing clusters of states, are

<sup>78</sup> Viktor Katona, "Russia Is Taking Over Syria's Oil And Gas", *Oilprice.com*, February 14, 2018, <https://oilprice.com/Energy/Energy-General/Russia-Is-Taking-Over-Syrias-Oil-And-Gas.html>.

<sup>79</sup> Karen Smith Stegen, Patrick Gilmartin and Janetta Carlucci, "Terrorists versus the Sun: Desertec in North Africa as a Case Study for Assessing Risks to Energy Infrastructure", *Risk Management*, vol. 14, no. 1, (2012), pp. 3–26.

<sup>80</sup> "BP Energy Outlook 2019 – 2019 Edition", BP, 2019, [www.bp.com/content/dam/bp/country%2Fde\\_at%2Fpdfs%2Fbp-energy-outlook-2019.pdf&usg=AOvVawoWhqkTKlmbGV4Xtpd5FXnI](http://www.bp.com/content/dam/bp/country%2Fde_at%2Fpdfs%2Fbp-energy-outlook-2019.pdf&usg=AOvVawoWhqkTKlmbGV4Xtpd5FXnI).

already being replaced by a looser and more network-like system in which states are nodes or points of connection. Because of a rise in digital connectivity, trade, travel and transport, states will be linked to each other to a much greater extent than today. This means the distribution and nature of power will change. In this system, power will be determined in relational rather than absolute terms.<sup>81</sup> Of course, the United States will be less influential than today, and China will be more influential – but they will be nodes rather than poles as neither player will be able to dominate the system.

It is not only China which will increase in influence, a host of other actors will, too: from a game for a select few, international politics will become a game for the many. The main candidates for leadership roles within the region are Saudi Arabia and, to a lesser extent, the UAE. Egypt and Turkey, despite its weakened status, will continue to display the ambition to be a great regional power. Israel, while regionally isolated, will continue to be a player with global reach thanks to its international alliances.

The economic growth of China is likely to bolster the region's importance. Beijing has already signalled that the Middle East is an important element of its BRI, pledging infrastructure investments and loans. While Beijing is not (currently) interested in developing a military footprint in the Arab region itself, it is increasingly present in East Africa.

This means that Arab players will continue to attempt to shape regional, as well as international matters and will do so in a more consistent and assertive fashion. That said, this does not mean that a stronger multilateral system is set to emerge in the region any time soon, even

though the repeated attempts at creating military alliances point to a strong desire for more coalition-building. Ultimately, conflict (and its resolution) will remain a bilateral affair rather than a matter for the LAS.<sup>82</sup>

## What does this mean?

- > As China's and India's reliance on Middle Eastern oil is projected to rise, a deepened relationship is expected to follow.
- > China's increased military capability seems to suggest an appetite for foreign intervention, but it has shown no inclination to get too involved with the region's protracted conflicts.
- > Russia's renewed presence in the region is unlikely to advance any further; although it is likely to remain involved in Syria and perhaps to some extent in Egypt, Moscow's potential for developing new allies is scarce.
- > The US' geostrategic interest is shifting towards Asia, leaving Europe and, to a lesser extent, also the Middle East, to their own devices. This might open new opportunities for EU engagement with regional states.
- > Less reliance on oil in Europe (because of decreased demand) will alter the EU's relationship with the Gulf.
- > Just like Europe, the Middle East and North Africa would gain in relational power if it were to be politically united as a region.

<sup>81</sup> Florence Gaub, "Global Trends to 2030: Challenges and Choices for Europe", European Strategy and Policy Analysis System, April, 2019, <https://www.iss.europa.eu/content/global-trends-2030---challenges-and-choices-europe>; Jonathan D. Moyer et al., "Power and Influence in a Globalized World", The Hague Centre for Strategic Studies, February, 2018, <https://hcss.nl/report/power-and-influence-globalized-world>; Yaging Qin, *A Relational Theory of World Politics* (Cambridge: Cambridge University Press, 2018); Thomas Gomart, "Between Concentration and Dispersion: A Promising Future for Power Relations", *Politique étrangère*, vol. 84, no. 1 (2019), pp. 11–21.

<sup>82</sup> Op.Cit., "Middle Eastern Multipolarity in Movement".

# CONCLUSION

Our analysis began with the premise that the MENA is a region where foresight is a particular necessity as long-term planning is frequently disrupted by unforeseen events. After careful analysis of what will shape the decade ahead, we have to some extent reduced the uncertainty that lies ahead. We now have greater clarity about the expected profound shifts in society, economy and the environment; about where differences can be made, and where less so, and where the priorities for action are.

That said, the future of the region will continue to harbour some surprises, be they shockingly disruptive or positively revolutionary. This gap of uncertainty is difficult to diminish for three main reasons:

1. The increasing interdependence of things creates unexpected knock-on effects;
2. Not all we need to know to understand what lies ahead can be known – for instance, because people hide information out of fear (it is very difficult to discern ‘the precise distribution of individual revolutionary thresholds’).<sup>1</sup>

3. Perhaps worst of all, our own mind can work against us when it comes to foresight, be it ‘*status quo bias*’ (the tendency to imagine the future to be more of today), linear thinking (extrapolating from past developments) or excessive pessimism or optimism.<sup>2</sup>

For those who wish to reduce surprises even further, other options are available to hone their foresight capabilities when it comes to this volatile region; these include ‘What if’ scenarios elaborating an unlikely but disruptive event, counterfactual historical scenarios and cross-impact analysis, which help our understanding of the interlinkages between past and future events. One thing is certain: no matter what method is used, the region remains a largely unexplored field in terms of foresight. Although matters have improved somewhat since the Arab Spring, we are far from a strategic shift: only seven foresight studies have been conducted on the Middle East and North Africa or its sub-regions and 34 on either specific topics or specific countries.<sup>3</sup>

It is this scarcity that, in part, perhaps explains why the MENA continues to surprise us.

<sup>1</sup> Timur Kuran, “The Inevitability of Future Revolutionary Surprises”, *The American Journal of Sociology*, vol. 100, no. 6 (1995), pp. 1528–1551; see also Florence Gaub, “Understanding Instability: Lessons from the Arab Spring”, *Arts & Humanities Research Council Public Policy Series*, no. 9, December, 2012, <https://ahrc.ukri.org/documents/project-reports-and-reviews/ahrc-public-policy-series/understanding-instability-lessons-from-the-arab-spring/>.

<sup>2</sup> Florence Gaub, “The Benefit of Hindsight: What we got Wrong – and Why”, *EUISS Brief*, no.1, 2019, <https://www.iss.europa.eu/content/benefit-hindsight-what-we-got-wrong-%E2%80%93-and-why>.

<sup>3</sup> Edgar Göll, “The Future: Foresight Studies on the Middle East and North Africa”, in Eduard Soler (ed.) “Re-conceptualizing Orders in the MENA Region: The Analytical Framework of the MENARA Project”, *Methodology and Concept Papers*, no. 1, November, 2016, pp. 88–100; Erika Holmquist and John Rydqvist, “The Future of Regional Security in the Middle East – Four Scenarios”, Swedish Defence Research Agency, April, 2016, <https://www.foi.se/rest-api/report/FOI-R--4251--SE>.

# ABBREVIATIONS

**AI**

Artificial Intelligence

**BRI**

Belt and Road Initiative

**EU**

European Union

**GAFTA**

Greater Arab Free Trade Agreement

**GCC**

Gulf Cooperation Council

**GDP**

Gross Domestic Product

**IDP**

Internally Displaced People

**IMF**

International Monetary Fund

**LAS**

League of Arab States

**MENA**

Middle East and North Africa

**OPEC**

Organisation of the Petroleum Exporting Countries

**R&D**

Research and Development

**UAE**

United Arab Emirates

**UN**

United Nations



At first glance, the Middle East and North Africa (MENA) region appears particularly unsuited to conducting foresight exercises due to its many disruptive and surprising developments. But beyond their actual predictability, it is precisely because the region features so many sudden events that foresight here is crucial. While the region appears to have recovered from some of the shocks of 2011 and its aftermath, the next decade will bring new and more substantial challenges: climate change is beginning to become a dark reality in the region, urbanisation and conflict could become a toxic mix, a new, digital generation is reaching political maturity and global energy shifts are beginning to be felt. The geostrategic landscape of the region is shifting, too, with new actors emerging and old ones retreating. In sum, the nearly five years since the last EUISS 'Arab Futures' Report have brought many new issues to the table, making a fresh look at the future of the region a necessity.