

INFRASTRUCTURES AND POWER IN THE MIDDLE EAST AND NORTH AFRICA.

The Crossroads of Regional and Global Geopolitics

Rome, 4 December 2019

report
from the Dialogue Workshop



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EXECUTIVE SUMMARY

The Dialogue Workshop on “Infrastructures and Power in the Middle East and North Africa” was convened at IAI on 4 December 2019 and aimed at discussing the draft chapters that will eventually constitute the Joint Policy Study under the same title. It saw the participation of three authors out of four (one connected via Skype), of the two report editors, Silvia Colombo, IAI, and Eduard Soler i Lecha, CIDOB, and of around 18 participants among scholars, policymakers and practitioners from the private sector.

The workshop was focused on different kinds of infrastructures, both physical and immaterial, in the MENA region and on their role, which has been analysed through geopolitical lenses, since geopolitics and infrastructures have always been deeply linked. In keeping with the final structure of the Joint Policy Study,



the workshop has dealt with four topics, namely the geopolitics of space (airports and airlines), maritime geopolitics, cyber-geopolitics and energy infrastructures. In addressing them, attention has been given to emerging powers in the region. Key international actors, such as China but also the European Union (EU), play a major role in building and using these infrastructures and the logic behind their involvement in these sectors can be analysed in terms of competition or cooperation.

DETAILS OF THE SESSIONS

Ports and Maritime Choke Points

The first presentation was that of the chapter by Laura Basagni, GMF, on “Ports and Maritime Choke Points.” Maritime infrastructures mirror the geopolitics in the MENA. The Mediterranean region has become more and more important from a geopolitical perspective since the opening of the Suez Canal in 1858.

In the last 25 years there has been a huge increase in inflows across the Mediterranean where, between 1995 and 2018, there has been a growth in ports activities of 477% and the Mediterranean region currently serves 20% of global shipping. The main reason for such a big change in global trade has been the new role played by global actors, mostly China, that has led to an exports growth. Ports have become strategic critical infrastructures also due to an increase in trans-shipment practice.

There are two clear examples of this change:

- Tanger-Med
- Suez Canal with its doubling in 2014

Chinese investments are growing year after year. China is focusing on Pireo, considered that this is the entry port for Chinese goods into Europe. The Chinese strategy uses multiple approaches to try to penetrate the European market. One example is the Memorandums of Understanding (MoUs) signed

with international partners, on which unfortunately there is a significant knowledge gap.

The EU's response to the Chinese strategy is structured around two mechanisms:

- screening mechanism for foreign direct investments (DFIs),
- connectivity Strategy of 2018. This new EU approach aims at treating the infrastructures as strategic assets as a way to extend coordination and cooperation mechanisms also outside EU (Middle Eastern countries are not mentioned in this Strategy but Africa, for example, is).

The chapter stresses the need to look at the Mediterranean region with regional lenses and to try and identify the game-changers:

- alternative routes: Arctic route connecting Asia with Europe. Even though these routes suffer from some problems, they have to be mentioned to complete the picture;
- security issues: latest developments near the Strait of Hormuz (a key passage in international trade) and Bab al Mandeb (the only entry point to the Suez Canal). Closing Bab al Mandeb means closing the Suez Canal;
- security cooperation: the only proposal for maritime security cooperation touching upon these infrastructures has come from the UK but it was rejected and therefore the EU has no role in maintaining security there.

Debate: China is deeply involved in the MENA region, but this involvement must be addressed in perspective. We should not demonise China. It is one of the new and particularly active players in the region (Djibouti is the only place where China has a naval basis outside its territory). We are China-blinded and we are forgetting the elephant in the room that is India – in terms of investment, workforce in the Gulf.

The Geopolitics of Virtual Spaces

The second chapter revolves around the issues of the geopolitics of virtual spaces and was written and presented by Victor Salama, Cairo University. With

the digitalisation of industries, geopolitics has taken on a new dimension leading to a new form of confrontation in the form of “cyber-warfare”. Coming to the infrastructural aspect of cyber-geopolitics, two elements need to be addressed: marine cables and Artificial Intelligence.

Marine cables are the basic layer of telecommunication and digital technology, and despite the wave of deregulation that has interested the MENA market, they remain under the control of national regulations because of monopolistic and security considerations. Since the 1990s private investments in cables have grown and investment choices were made considering the geographic location, political stability and regulatory environment. Cables are mostly concentrated in the UAE, Egypt and Saudi Arabia.

Artificial Intelligence (AI) is seen as a big opportunity particularly in the UAE, Saudi Arabia and Qatar and as part of their economic diversification strategy. Moreover, both Iran and Israel have a dynamic AI ecosystem related to the security field. Israel uses AI to interpret aerial and non-aerial photographs and for military operations. Iran has directed investments in AI to the military and security fields to develop robotic army equipped with suicide robots, auto-run mine detectors and robotic machine guns.

Israel and Iran are the historical big players of cyberspace and they are using their expertise in the field to change the rules of warfare, leading to a cyber-warfare. Two types of cyber attacks can be mentioned: breaches to gather information, and attacks on foreign systems to block or damage adversaries' networks. The cyber domain represents a big challenge due to the relevance of information in geopolitics, the difficulties of prevention and attribution of the attacks, and the consequent dilemma of retaliation.

Moreover, the issue of the possibility of a cyber arms race in the Gulf is addressed in this chapter. This is due to the fact that cyber attacks are easier and cheaper and a defensive strategy is more difficult to develop

than an offensive one that it is supposed to work as a deterrent. Furthermore, attention should be paid to non-state actors who play a major role in cyber-warfare.

Debate: citizens in Arab countries have different levels of access to the Internet. Furthermore, the possibility of cooperation between Israel and China in the cyber domain and the consequent US concerns were also mentioned. Similarly, the possibility of closer cooperation in this field between Israel, Saudi Arabia and the UAE as the first steps toward broader political and security cooperation was also explored.

Airlines and Airports as Instruments of Soft Power

The dynamics and competition surrounding airlines and airports' expansion is analysed in the chapter written by Florence Gaub and Lotje Boswinkel, EUISS. They are framed as soft power tools that are useful to pursue a domestic and regional political agenda by the national authorities. There are five major airlines in the region that have recently experienced impressive transformations: the more recent Emirates, Etihad and Qatar Airways, and the older Turkish Airlines and Royal Air Maroc.

Gulf-based airlines (all state-owned) operate according to the hub and spoke model taking advantage of highly competitive cost structures and effective branding strategies. Turkish Airlines benefits from the growing Turkish middle-class and its strategic geographical location. Air Maroc relies on Europe (Open Skies Agreement of 2006) and the important diaspora groups it caters for.

Connectivity and visibility are the building blocks of airlines and airports' soft power used both for domestic and regional political aims. Domestically, Erdogan associates Turkish Airlines' success to the aspiration of the Turkish middle class; Gulf-based airlines use their luxurious and modern aircrafts to promote a positive image of the Gulf countries. Domestically, the launch of Etihad can be seen as a reaction to Emirates' success in the context of a struggle for influence between Dubai and Abu Dhabi within the UAE. At the

regional level, the consequences of the Qatar blockade on the routes tells a lot about regional political dynamics. At the international level, the spread of a positive image of the Gulf countries thanks to their airlines has led to important power shifts in the political and cultural domains.

Furthermore, airports and airlines' expansion in the MENA raises a dilemma about the erosion of Europe's brand as an economic, cultural and political standard bearer, setting an example for the rest of the world.

Aspects to expand: airports (only mentioned in the chapter) and the apparent Saudi disinterest in competing with other Gulf powers in the region in this domain.

Pipelines and Grids

The last chapter presented and discussed during the Dialogue Workshop touches upon the geopolitics of gas in the Eastern Mediterranean region after the recent natural gas discoveries. The chapter is written by Ahmed Kandil, ACPSS. The important question here is whether these huge discoveries of natural gas will become a basis for addressing and resolving complex regional conflicts, or they will be an inflammatory material that “explodes in their face”.

Positive developments in the region were outlined, namely:

- the establishment of the East Mediterranean Gas Forum (EMGF),
- Egyptian – Israeli gas pipelines relations (offshore pipeline through Cyprus),
- the EU's growing interest in the region (to reduce dependency from Russia).

On the one hand, the lowest cost option to transfer gas to Europe is Egypt, also holding the opportunity to boost cooperation between Israel and Cyprus. On the other, Turkey's role is according to the author hampering the usage of gas in the region. So energy infrastructures, particularly pipelines, are prey to regional and international geopolitical competition.

CONCLUSION

The conclusions of the Dialogue Workshop fulfilled two goals. First, they touched upon some paths for further research and analysis concerning the EU's role and policies in the domains of infrastructures in the MENA. In other words, they have tried to address the question: why does this matter for the EU? Second, it wrapped the meeting up by outlining the next steps leading to the completion of Joint Policy Study.

With regard to the first aspect, it was mentioned that geopolitics and infrastructure is a fluid and dynamic field that opens up to opportunities and challenges for the EU and its member states. A big variety of actors – state actors, non-state actors and international institutions – should be considered to understand the implications of all these developments for the EU. In terms of addressing the challenges raised by geopolitics and infrastructures, the EU has several tools such as legislation and technical capabilities, but they alone are not enough as they need to be matched by a geopolitical strategy. Turning to the opportunities, infrastructures could be terrain for the EU to increase its leverage and power in the MENA region, in line with its ambition to play a more geopolitical role globally. The EU could and should play a crucial role in the infrastructures field within the framework of conflict prevention measures and post-conflict reconstruction, in which the infrastructural aspects becomes more prominent. In this regard, it is crucial to stress the importance of thinking of reconstruction holistically, considering infrastructures as reconstruction and security tools that are indispensable to regional stability.

Finally, the EU should make use of the bilateral and multilateral cooperation agreements and platforms it is part of to foster a greater understanding of infrastructures as tools for cross-country connections across the MENA and between the region and Europe.



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