

## 2016 FORECAST: THE CHALLENGES OF A DISINTEGRATING MIDDLE EAST



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BRITAIN ISRAEL COMMUNICATIONS  
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## EXECUTIVE SUMMARY

- This paper seeks to identify the major trends in the Middle East in order to map out their potential significance for Israel, the region, and the UK in 2016.
- The Middle East of 2016 is beset by fractured, dysfunctional states experiencing an erosion of control over their sovereign borders and a steep increase in ethnic and religious tension. While US policy reflects the Obama Administration's preference to reduce regional commitments, a resurgent Russia, regionally ambitious Iran and sub-state actors such as Hezbollah and Islamic State have partially filled the vacuum. An increasing number of refugees from Syria add to the instability in neighbouring countries while large numbers head to Europe. Absent internal or external powers willing or capable of establishing order, chaos and instability look set to remain a fact of life in 2016.
- Israel is confronted with a complex strategic environment which involves deterring radical sub-state actors on its borders, countering Iran and its proxies, maintaining its special relationship with the US and ensuring good working relations with Russia. It is also facing low level violence in the Palestinian arena that has become increasingly difficult to manage and may well escalate during the coming year. Converging interests exist between Israel and the Gulf states while Israel's energy reserves, coupled with Turkish concern at its own regional situation, may facilitate renewed normalised relations between the two countries in 2016.
- Palestinian President Mahmoud Abbas is almost 81, has publically stated his intention not to compete again in elections, and has appointed no successor (or deputy). Whether his rule ends in 2016 or not, 'the day after Abbas' will be a leap into the unknown for the Palestinians and for Israeli-Palestinian relations. Another game changer would be the collapse (or dissolution) of the Palestinian Authority (PA), caused either by a Palestinian decision to 'return the keys' and the civic burden of governing the West Bank over to Israel, or simply by accumulated frustration, pressure or violence reaching a tipping point.
- The Obama Administration is unlikely to significantly reverse its policy of strategic retrenchment during its final 12 months, but the wisdom and consequences of Obama's approach will be a subject of foreign policy debates in the Presidential campaign. The next American President will have to cope with a region where traditional Western allies – such as Saudi Arabia, Egypt and others – have diminished faith in the readiness of the US to act to preserve their security.
- ISIS will continue to pose a challenge to efforts to stabilise Libya, where fragmentation has contributed to wider regional instability, including through the outflow of weapons. The presence of ISIS affiliated fighters controlling part of the country, and posing a threat to Europe, could prompt growing calls for a European military intervention there with UK involvement. Meanwhile the attack which killed 30 British citizens in Tunisia in June 2015 shockingly illustrated the vulnerability of British citizens and interests elsewhere in the region.
- The fight against ISIS poses a significant challenge to UK national security both at home and abroad as well as in the need to consolidate a coordinated international response to the refugee problem. The West should also be wary of a resurgent Iran with hegemonic ambitions.

## REGIONAL TRENDS

### Fractured, dysfunctional, weak states with eroding borders

While policy analysts debate the extent to which the crumbling of Iraq and Syria constitutes the collapse of the 'Sykes-Picot' era,<sup>1</sup> the Middle East of 2016 is undoubtedly one in which states are experiencing an erosion of control over their sovereign borders. Iraq has been virtually partitioned into three distinct parts. Libya and Yemen also face state failure, while the Egyptian Sinai peninsula has become a haven for extremist groups. Meanwhile, the Assad regime maintains control over only a small part of Syria and Lebanon is experiencing particularly difficult governance challenges. An upsurge in Sunni-Shia sectarian clashes and division along ethnic fault lines intensifies these issues.

### The rise and strengthening of sub-state actors

Filling this vacuum of state failure, border erosion and ethnic tension are sub-state actors, increasingly possessing some trappings of statehood, such as control over territory, the ability to tax and provide services and the capacity to deploy significant military forces. The most notable examples of this phenomenon are Islamic State in Iraq and Syria (ISIS), Hezbollah in Lebanon and Hamas in the Gaza Strip, as well groups in Yemen and Libya.<sup>2</sup>

ISIS boasts its own capital, independent revenue from trafficking, kidnapping, oil transactions, archaeological sales and taxes, and has also successfully mobilised the largest volunteer force of Sunni foreign fighters in recent history. It claims ideological affiliates in Sinai, Yemen, Libya, South Asia and elsewhere, and during the past year has been linked to several international terror attacks in Ankara, Paris, San Bernardino and the blowing up of a Russian passenger plane.

Another significant non state power is Hezbollah, a Shia militia based in Lebanon which is a political party and social movement while simultaneously possessing a formidable military capability. Serving as Iran's proxy, Hezbollah is deeply invested in the Syrian quagmire and has prioritised maintaining Assad's rule, sustaining a presence of over 5,000 fighters on the ground.

### US retrenchment

The US response to the challenges in the Middle East meanwhile has primarily been characterised by a reluctance to commit, leaving the effort to defend what have typically been considered 'Western interests' half-hearted and uncoordinated, indicative of what Ian Bremmer coined the G-Zero world.<sup>3</sup> Despite the Obama Administration's recent

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1 Israel's new strategic environment, Asher Susser, [Fathom](#), Winter 2013; The end of Sykes-Picot? Reflections on the prospects of the Arab State System, Itamar Rabinovich, [Brookings Institute](#), February 2014; The Viability of a Second Sykes-Picot, [Washington Institute](#), 2/10/2015; The Middle East that might have been, Nick Danforth, [The Atlantic](#), 13/2/2015; Israel's; FOCUS: The Middle East, Hallucination, and the Cartographic Imagination, [Discoversociety](#), 3/1/2015, Do Iraq and Syria no longer really exist?, [Foreign Policy](#), 20/10/2014

2 Israel's security establishment distinguishes between semi-state groups such as Hezbollah and Hamas which possess hybrid political and military components and which are guided by certain political considerations in their foreign policy on the one hand and non-state revolutionary organisations such as ISIS on the other. For the purpose of this paper, all these groups are referred to as sub-state.

3 Ian Bremmer and Nouriel Roubini, A G Zero World, [Foreign Affairs](#), March/April 2011

decision to establish a new specialised military unit of about 200 service members, its opposition to significant involvement in Iraq or Syria coupled with its ambivalence in supporting the Syrian non-jihadi opposition, and its rejection of air strikes against Assad in the aftermath of his chemical weapons use, reflects strategic retrenchment away from its prior intimate involvement in the Middle East. The Obama Administration is unlikely to significantly reverse this trend in its final 12 months, but the wisdom and consequences of Obama's approach will be a subject of foreign policy debates in the Presidential campaign. The next American President will have to cope with a region where traditional Western allies – such as Saudi Arabia, Egypt and others – have diminished faith in the readiness of the US to act to preserve their security.

### **Russia returns to the region**

Partially motivated by its traditional support for Assad and concern regarding the rise of Islamic extremism, and facilitated by the opportunity presented by the seeming ambivalence of the Obama Administration response to the Syrian crisis, Russia deployed into the Syrian vacuum in September 2015, putting its own military behind its commitment to support the pro-Assad axis including Iran and Hezbollah. While officially focused on the rise of ISIS, Russia has so far concentrated most of its fire on non-ISIS, Sunni rebels, variously backed by the US, Saudi Arabia, Turkey and Qatar, thus weakening any potential alternative to either Assad or ISIS. Russia's direct military commitment to shore up its allies constitutes a new strategic paradigm in the Middle East which will have significant implications for the balance of power and the rivalries in Syria's civil war.

### **Iran's post-nuclear deal regional ambitions**

The nuclear deal between Iran and the P5+1 intentionally stressed the separation between the nuclear and non-nuclear fields. Indeed, the West appeared to avoid robust action to counteract Iran's aggressive meddling in regional conflicts (and its domestic human rights abuses) during negotiations for fear of undermining any potential agreement. However the months following the deal suggest that Iran's willingness to temporarily roll back its nuclear program is contingent on the deal empowering its conventional military, political and economic strength and power projection. In October, Iranian Defence Minister Hossein Dehghan confirmed the successful test of the Emad (pillar) precision-guided surface to surface missile which has a range of over 1,000 miles and can deliver a 750kg payload while the following month Iran tested the Ghadr-110, which has a range of 1,200 miles, and is capable of carrying a nuclear warhead. Both tests were in contravention of UN Security Council resolutions. Despite recently downsizing its ground forces in Syria due to heavy losses, Iran has increased its defence budget by 30 per cent and Iraqi, Pakistani and Afghan Shiite militias under Iranian Revolutionary Guards advisors and commanders are fully engaged in the war. For Iran, Assad's remaining territory in Syria constitutes a vital conduit for feeding and replenishing Hezbollah's huge rocket arsenal. Iran appears determined to continue its support for terror groups in Gaza and Yemen and exercises excessive influence over the government in Baghdad.

### **Mass refugee movements**

The conflicts in the Middle East, primarily in Syria, Iraq and Libya, have led to the displacement of millions of people and mass population movement both within the

region and outside. UNHCR estimates that there are as many as 4 million Syrian refugees, many of whom have taken refuge in Turkey, Jordan, and Lebanon while over 1 million migrants and refugees arrived in Europe in 2015 (four times higher than 2014) – a large majority from the Middle East. Estimates suggest that these numbers will continue to rise.<sup>4</sup> With little prospect of the Syrian war ending in 2016 – despite increased diplomatic efforts – the flow of refugees looks set to remain a source of instability. The West meanwhile has struggled to develop a coordinated policy as to how to deal with these multiple crises in a unified way.

## The Long Term Structural Trends – Demography, Water & Energy

Several additional structural trends pose challenges for the Middle East in the long term. Trends in birth, death and migration have altered the absolute and relative size of young and old, rural and urban, and ethnic majority and minority populations within and among emerging and established powers, including those in the Middle East. The region, alongside other developing areas, suffers from a ‘youth bulge’ that increases the threat of instability and violence within states. Projections suggesting that by 2030, 106 million people between the ages of 20-29 will be entering the workforce compared to the current figure of 96 million. While this theoretically provides an opportunity for economic development and growth, it also constitutes a great societal risk if no gainful employment can be provided. Meanwhile, if current estimates continue regarding population growth and climate change, the Middle East is also set to suffer from severe water scarcity, with the resultant potential for additional strain in regional relations.<sup>5</sup> Concurrently, the discovery of major gas fields in the Levant Basin of the Eastern Mediterranean has the potential to transform the energy outlook for some countries in the region, creating significant economic opportunities for players including Israel, Egypt, Turkey, and – if political circumstances improved – also the Palestinians.

## CHALLENGES TO ISRAEL

### Deterring the threat from sub-state actors - ISIS and Hezbollah

Israel is not ISIS’s primary focus and security officials assess ISIS’s direct threat to be relatively low. However, conquering Israel numbers among the group’s long term goals, with Jerusalem playing a significant role in its rhetoric and Israel (referred to simply as “Jews”) included in ISIS’s map of enemies in its propaganda videos. In October 2015, ISIS issued a series of threats against Israel, releasing a video in which one of its (Hebrew speaking) jihadi militants threatened to attack Israelis and promised that “soon there will not be one Jew left in Jerusalem.” Moreover, in late December 2015, ISIS leader Abu Bakr al-Baghdadi released an audio recording warning that his forces will “soon meet [the Jews] in Palestine” and that “the leaders of the jihad fighters will surround you on a day you think is far, but we see it as close. We are coming closer to you day by day.” Concern exists that as ISIS comes under greater pressure, the group may try and attack Israeli targets or Jewish communities abroad. Israeli military chiefs are also preparing for the possibility that Russian air strikes will push ISIS forces closer to Israel’s borders from their current strongholds. A more serious and immediate threat to Israel comes from the Iranian sponsored Shia organisation Hezbollah. The group is

4 Migrant Crisis: Migration to Europe explained in graphics [BBC news](#), 22/12/2015

5 The Effects of ‘Youth Bulge’ on Civil Conflicts, [Council of Foreign Relations](#), 27/4/2007; [Global Trends 2025: A Transformed World](#), US National Intelligence Council; Future Trends and Challenges for the Middle East and North Africa, [Wilton Park](#), January 2012

currently focusing its time, energy and manpower supporting Assad in Syria. However it possesses more than 100,000 short-range rockets capable of striking northern Israel, as well as several thousand missiles that can reach Tel Aviv and central Israel and hundreds more that can strike the entire country and which are hidden among the Shia civilian population in southern Lebanon. A conflict with Israel – while unlikely in 2016 – would cause huge damage to both sides, and security officials believe Hezbollah may even attempt to capture some towns in Northern Israel. Although Hezbollah is signalling its priorities lie elsewhere, the possibility of escalation does exist, specifically in the aftermath of border skirmishes or as a response to Israeli actions against weapons transfers and Iranian-Hezbollah activities in the Syrian Golan.<sup>6</sup>

### **'No Man's Land on Borders' in the Sinai and Golan**

In both the south and north Israel is threatened by Islamist organisations that have emerged in the vacuum generated by state weakness.

Across Israel's 240km border with the Sinai Peninsula is the ISIS affiliated organisation 'Wilayat Sinai' (formerly Ansar Bayt al-Maqdis), which in 2014 pledged allegiance to the ISIS 'caliphate'. The group is primarily concerned with fighting Egyptian regime forces and local opponents although it has periodically fired rockets at southern Israel. Indeed, security officials fully expect ISIS affiliates in the Sinai to escalate attacks against Israel in the future. Israel actively supports Egyptian efforts to contain these groups, including with intelligence and by allowing Egyptian deployment of forces in the Sinai which exceed the quota allowed by the Israel-Egypt peace treaty, although disagreement exists as to Egypt's capacity to fully defeat ISIS affiliates.<sup>7</sup>

In Syria meanwhile several organisations and groups devoted to militant Sunni Islam, Salafist jihadism or the global jihad movement are currently prioritising the fight against Assad but may turn their attention (and guns) towards Israel. One group already in the Syrian Golan is ISIS affiliated Shuhada Al Yarmouk, which controls a 15-kilometer stretch of land around the triangular point where the Syrian, Israeli and Jordanian borders meet and which is thought to possess tanks, armoured personnel carriers and other sophisticated weaponry seized from Syrian army troops. Another group present in the area is Syrian Al-Qaida affiliate Nusra Front. Israel has so far deterred these groups, but concerns exist that were they to successfully cement control within the Golan the threat of attack would grow considerably.<sup>8</sup>

### **Countering Iranian regional hegemonic ambitions**

There is broad consensus in Israel that the nuclear deal is bad news, since it empowers Iran in the short term by lifting sanctions and allows Tehran to become a nuclear threshold state in the future. Some Israeli analysts expect the Islamic Republic to cheat on the deal and caution Israel to prepare for such an outcome. Others argue that the more likely scenario is Iran waiting patiently for sanctions relief and strengthening its economy, before gaining international recognition for its status as a

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6 Jeffrey White, A war like no other: Israel vs Hezbollah in 2015, [Washington Institute](#), 29/1/2015; Hezbollah hiding 100,000 missiles that can hit north, army says, [Times of Israel](#), 13/5/2015.

7 IDF Outlines Defense of Southern Airport, Braces for Islamic State-Linked Attack, [The Algemeiner](#), 13/3/15; Report: Israel worried Egypt's Sisi might fall to jihadist insurgents, [Jerusalem Post](#), 7/11/15; Israel's Military Chief: Only Russian-American Alliance Can Defeat ISIS, [Ha'aretz](#), 10/12/2005

8 Ron Ben Yishai, Seeing through the darkness, [Ynet](#), 16/9/2015, Hundreds of Islamic State militants amassed at Israel's border, [Ynet](#), 31/12/2015; IDF preparing for possibility of ISIS approach to border [Jerusalem Post](#), 30/12/2015; Israel worries about threat from Islamic state, [LA Times](#), 27/12/2015

nuclear threshold power when the deal expires. Many fear that once international sanctions are lifted it will be difficult to reimpose them even if Iran is caught cheating on the deal.

The short term threat posed to Israel comes from a regionally resurgent Iran whether in the Syrian Golan – where together with Hezbollah, Iran is attempting to create an active “resistance front” against Israel – via Hezbollah in Lebanon, or through jihadist groups in Gaza. Furthermore, the decision by Western powers to prioritise the threat of Sunni extremism in the form of ISIS (which may even include considering Iran a partner in dealing with this threat), poses an additional challenge for Israel in countering Iran. Israel is not alone in its threat perception of Iranian regional hegemony. Sunni Gulf States, including Saudi Arabia, share a common interest with Israel to minimise Iranian influence. Saudi Arabian and Iranian interests collide in Lebanon, Syria, Iraq and Yemen, and Saudi Arabia and other Gulf states, especially Bahrain, fear Iranian attempts to fuel unrest among Shia populations within their borders. Iranian tensions with Saudi Arabia rose to new levels following the January 2016 Saudi decision to behead Shia cleric Nimr al-Nimr and the subsequent attack on the Saudi Embassy in Teheran by an angry mob. The two sides’ recent actions are likely to add further fuel to the flames of on-going Sunni-Shia regional sectarian battles.

The mutual fear of Iranian ambitions has drawn Israel and Saudi Arabia closer and officials from both countries have reportedly met at least five times since 2014.<sup>9</sup> Small additional steps towards a more public relationship between Israel and the Gulf states have taken place. The UAE recently allowed an Israeli office to open (accredited to the International Renewable Energy Agency), and Israeli Foreign Ministry Director General Dore Gold was interviewed by a Saudi newspaper. However, Israel’s ability to build on these converging interests with a deeper and more public relationship will be limited without significant movement towards resolution of the Israeli-Palestinian conflict.

### **The Palestinian arena: minimising violence and the future of the Palestinian Authority (PA)**

Undermined by daily violence, wide gaps between the sides on the core issues, and American and European priorities focused elsewhere, the Israeli-Palestinian conflict is unlikely to be resolved in 2016. Israel will most likely continue to be challenged by the wave of ‘lone wolf’ Palestinian violence that has now entered its fourth month without showing any signs of receding. The disintegration of institutional order in the PA and its decreasing legitimacy within Palestinian public opinion may ultimately threaten continued security coordination between the sides, a step which would further undermine the situation on the ground. Indeed several members of the ruling Fatah party have already called for the cessation of such coordination and the escalation of violence. Reports meanwhile suggest Hamas plans to renew suicide bombing in the West Bank.<sup>10</sup>

As violence continues and even escalates, two competing approaches in Israel may gain greater traction. Those on the right – many of whom form part of the ruling coalition – will increase calls for tougher responses against the PA and accelerating settlement construction. On the political center-left meanwhile, former security officials

9 Israel and Saudi Arabia: Togetherish at last? David A Graham, [The Atlantic](#), 5/6/2015

10 Hamas seeks to orchestrate suicide bombing, PA says, [Times of Israel](#), 18/12/2015; Fatah officials slam PA for preventing Palestinians from clashing with IDF, [Jerusalem Post](#), 30/12/2015

and analysts who believe Israel can advance its strategic interests by gestures and initiatives will continue to promote proposals outside the classic bilateral negotiation track – whether unilateral or in conjunction with regional and international interlocutors – in order to advance a two-state solution.<sup>11</sup> Domestically, Israel's ruling coalition remains fragile and it would be unsurprising if an election cycle were to be in full force within 12 months, or if the coalition has a different makeup. The political map may also be shifted if opposition leader Isaac Herzog faces an expected challenge to the leadership of the Labor party.

On the Palestinian side, the continued absence of a political horizon may strengthen voices calling for internal national unity. Palestinian President Mahmoud Abbas is likely to continue juggling alternative strategies to negotiations such as reconciliation with Hamas, internationalisation, or 'popular resistance', but without succeeding in preventing the waning of the PA's domestic strength, legitimacy and credibility. The Palestinian President is almost 81, has publically stated his intention not to compete again in elections, and has appointed no successor (or deputy). Whether his rule ends in 2016 or not, 'the day after Abbas' will be a leap into the unknown for the Palestinians and for Israeli-Palestinian relations. Another game changer would be the collapse (or dissolution) of the PA itself, caused either by a Palestinian decision to 'return the keys' and the civic burden of governing the West Bank over to Israel, or simply by accumulated frustration, pressure or violence reaching a tipping point.<sup>12</sup>

In Gaza, Israel will need to maintain deterrence against a Hamas entity which demonstrated its significant military capabilities – rockets, underground tunnels into Israel, unmanned aerial vehicles, maritime infiltration attempts – during Operation Protective Edge in the summer of 2014. At the same time, in 2015 it has been Israel, more than the PA or Egypt, which has shown most interest in improving the functioning of the Gaza Strip. But with donor funds in limbo due to Palestinian failure to agree a role for the PA at Gaza's border crossings, and the Egyptians clamping down on Hamas, the underlying problems facing Gaza remain, and the potential for another round of violence will increase over time. Salafi jihadist groups have challenged Hamas's authority by firing rockets from Gaza in the last 12 months, and may continue to do so. Meanwhile, despite some ideological differences, recent reports substantiate Israeli claims of cooperation between ISIS affiliates in the Sinai and Hamas's armed wing (Izz al-Din al-Qassam Brigades) in the Gaza Strip, which is likely to inhibit reconciliation between Hamas and Egypt.<sup>13</sup>

### **Israel-US relations: Iran, the Palestinians and Enhanced Military Aid**

Maintaining strong relations with the US – regardless of who is in power – remains a cornerstone of Israel's national security doctrine. Despite diplomatic tension between the current Government and the Obama Administration over policy differences on the Palestinian issue and Iranian nuclear deal, Israel has enjoyed close military ties with the Administration throughout Obama's presidency which look certain to continue

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11 Gilad Sher, Israel should take the initiative, [Brookings](#), 7/10/2015; [The Israeli Peace Initiative](#); Jeffrey Goldberg, 'Israel Cannot Absorb 3.5 Million Palestinians and Remain a Jewish and Democratic State', [The Atlantic](#), 25/6/2015; Hilik Bar, Israel's other existential crisis comes from within, [New York Times](#), 20/8/2015

12 Amir Tibon and Grant Rumley, The death and life of the two state solution, [Foreign Affairs](#), July/August 2015; Grant Rumley, An unholy alliance – Abbas' rivals unite against him, [Foreign Affairs](#), 23/12/2015

13 Ehud Yaari, Hamas and the Islamic State Growing cooperation in Sinai, [Washington Institute for Near East Policy](#), December 2015; Alex Fishman, Hamas is funding Islamic State in Sinai, [Ynet](#), 14/12/2015; Ronen Bregman, The battle over Sinai: ISIS's next strong force, [Ynet](#), 25/12/2015

into 2016 and beyond. Indeed, although the current \$30 billion military aid package is due to expire in 2017, Israeli officials have expressed a preference to renew it before the end of Obama's term and the sides are likely to negotiate a ten-year military aid package during the coming year. Following PM Netanyahu's very public disagreement with the Obama Administration regarding the nuclear deal, it will be essential for Israel to work closely with and alongside the US in agreeing on mechanisms to ensure full Iranian implementation of the agreement. Israel should also do its best to maintain bipartisan American support and to steer clear of becoming a wedge issue between Republicans and Democrats during the upcoming Presidential campaign.

The two sides will continue to disagree over the best way forward on the Palestinian issue. The Obama Administration seems resigned to leaving office without the establishment of a Palestinian state, but may call for concrete Israeli action to reaffirm its commitment to the two-state solution or might even suggest permanent status parameters of its own before the end of Obama's term. Looking further ahead, the next occupant of the White House – whether Republican or Democrat – will most likely promote a more assertive policy than the current Administration.

### **The consequences of Russian regional involvement**

Russia's military involvement in the Syrian civil war has generated a new strategic situation to Israel's north, although disagreement exists within Israeli policy circles as to its exact consequences. Military coordination exists between the two countries and Israel has successfully maintained its policy of intercepting strategic game-changing missiles headed from Syria to Hezbollah in Lebanon. Some analysts believe the Russian presence will restrain Iranian-Hezbollah ambitions against Israel on the Golan. Others in Israel's security establishment express concern that the Russian presence in Syria will facilitate the strengthening of the Iranian axis and its hold on the country, and may ultimately restrict Israel's freedom of aerial activity. Moreover, the geographical proximity of sophisticated anti-aircraft systems such as the S-300 and the S-400 may adversely affect Israel's freedom of operation in the skies. Others fear that Hezbollah's closeness to Russian forces will enhance the group's ongoing shift toward a more offensive-minded strategy, with significant implications for the planning and conduct of any future conflicts against Israel.<sup>14</sup>

### **Instability in Jordan and Lebanon**

The sizeable numbers of refugees from the Syrian civil war are causing deep instability in Israel's neighbours, particularly Lebanon and Jordan. Lebanon, which has a long history of ethnic tension between Sunnis, Shias, Christians and Druze, and which has lacked a functioning government for the past 18 months, has been forced to cope with more than 1 million Syrian refugees, amounting to one quarter of the country's population and upsetting the fragile demographic balance of the country. Jordan – threatened by ISIS and a faltering economy – hosts over 600,000 Syrian refugees (in

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<sup>14</sup> Zvi Magen, Sarah Fainberg, and Benedetta Berti, International activity and the Syrian Crisis, [INSS Insight no. 764](#), 8/11/2015; Brig. Gen. Muni Katz and Nadav Pollak, Hezbollah's Russian Military Education in Syria, [Washington Institute](#), 24/12/2015, Syria's unraveling gives war to new regional order, Yaakov Amidror, [Besa Center Perspectives Paper no.317](#), 1/11/2015, Eran Lerman, Russian Ambitions and Israeli opportunities in the Partition of Syria, [Besa Center Perspectives Paper no. 315](#), 22/10/2015; Amos Yadlin, Carmit Valensi, Russia's involvement in Syria: A Strategic opportunity for Israel, [INSS Insight no. 755](#), 20/10/2015; Zvi Magen and Udi Dekel, Russian Involvement in Syria: What has changed, and the significance for Israel [INSS Insight no. 752](#), 7/10/2015; Russia deploys S-400 Missile battery in Syria, state media says, [Times of Israel](#), 26/11/2015

addition to refugees from the Iraq war). Israel considers the stability and prosperity of its eastern neighbour to be a central element of its national security policy and the two countries will continue to engage in close security coordination against jihadist and terror threats. Israel will also likely continue to facilitate Jordanian trade – which passes through Israel rather than Syria – and looks set to provide Jordan with an alternative gas supply after the repeated sabotaging of pipelines from Sinai.<sup>15</sup>

### **Energy policies and the potential for renewed Israeli-Turkish ties**

Offshore gas discoveries in the Eastern Mediterranean not only allow Israel to become self-sufficient in energy but also to consider energy exports. Politicians and policy makers continue to debate whether Israel's gas reserves can strategically alter its geo-political situation and to what extent energy cooperation can help facilitate the resolution of political disagreements. Israel's heated domestic debate has been plagued by populism and bureaucratic sluggishness and it remains to be seen whether Israeli energy exports to Jordan and Egypt (which the government has pushed for) can help deepen its relations with its Arab neighbours.

One significant consequence of Israel's new energy capacity would be renewed relations with Turkey, which soured following Israel's Operation Cast Lead in December 2008 and the Mavi Marmara affair in 2010. Turkey, smarting from regional isolation and its recent feud with Russia, is in need of energy for its domestic market and is conveniently geographically located to serve as an energy transport hub for Europe.<sup>16</sup> Resolving their remaining differences over the blockade of Gaza would allow Israel and Turkey to enjoy the strategic and economic benefits normalised relations would bring.

## **CHALLENGES THE MIDDLE EAST POSES THE UK**

The turmoil in the Middle East also poses challenges to UK national security, primarily in the realm of the fight against ISIS – at home and abroad – as well as how to deal with refugees and Iranian regional ambitions.

### **Islamic State in Iraq and Syria**

Whilst Britain is now committed to joining airstrikes in Syria, and ISIS has suffered some recent setbacks in Iraq, considerable doubt remains among military and regional experts that the coalition's strategy has the capability to dislodge ISIS from its base in and around Raqqa. So long as it remains there, ISIS's declared 'Caliphate' will continue to serve as a geographical, economic and propaganda hub for disaffected extremists across the Muslim world, including in Europe. In such a scenario, the case for a wider Western military commitment, including ground forces inserted to help local Sunni and Kurdish actors, may grow stronger in 2016.

15 Perspective Papers, Jordanian Security and Prosperity: An Essential Aspect of Israeli Policy, [BESA](#), 27/12/2015; Truck by truck Israel builds trade gateway to the Arab world, [Reuters](#), 1/7/14; Israel signs \$15 billion gas deal with Jordan, [Times of Israel](#), 3/9/14

16 Zulfikar Dogan, First the Middle East, now Central Asia slipping away from Turkey, [Al-monitor](#), 6/1/2016; Simone Tagliapietra, "Turkey as a Regional Natural Gas Hub: Myth or Reality?," *Turkish Policy Quarterly* (2014); Brenda Shaffer, "Israel—New Natural Gas Producer in the Mediterranean," *Energy Policy* 39, no. 9 (2011)

## The threat of ISIS insurgency to states in the region

The threat posed by ISIS to the stability of states across the region will continue to be of direct concern to the UK, even beyond Syria and Iraq. Security in the Sinai Peninsula possesses major significance for wider regional security and for global trade, given the threat posed to the rest of Egypt – where the UK has significant economic interests – to the Suez Canal, and to nearby Jordan and Saudi Arabia. ISIS affiliate Wilyat-al-Sinai is seen as the most likely culprit behind the explosion of the Russian plane in Sinai in October 2015, which caused the UK to temporarily ground London flights to Sharm El Sheikh.

ISIS will continue to pose a challenge to efforts to stabilise Libya, where fragmentation has contributed to wider regional instability, including through the outflow of weapons. The presence of ISIS affiliated fighters controlling part of the country, and posing a threat to Europe, could prompt growing calls for a European military intervention there with UK involvement. Meanwhile the attack which killed 30 British citizens in Tunisia in June shockingly illustrated the vulnerability of British citizens and interests elsewhere in the region.

## The threat of ISIS attack in Britain

The attacks in Paris in 2015 graphically illustrated the potential threat posed by ISIS-linked terrorism to the UK mainland and UK nationals across the EU. According to Prime Minister David Cameron,<sup>17</sup> about 800 British individuals of national security concern have travelled to Syria since the conflict began. According to British security, about half of this figure have already returned, with a number of those returnees – as well as some fighters still in Syria – considered a threat. ISIS propaganda also continues to be a potential driver of violent radicalisation in Britain. Although surveys show the overwhelming majority of Muslims are repelled by ISIS propaganda,<sup>18</sup> it clearly has the potential to appeal to some on the margins. Britain will continue to face threats from those who have travelled to Syria who may benefit from military training as well as those who have been inspired remotely without ever going. The British Jewish community will remain particularly wary following fatal attacks on Jewish targets in Paris, Brussels and Copenhagen. Ultimately, rolling back ISIS's advances in the region will be an important part of a strategy to dent its prestige and appeal.

## Coordinating an international response to the refugee crisis

The outflow of refugees from Syria into Europe is set to continue and present security, economic and social challenges to the EU and raise international pressure on Britain to accept more people. This is also set to be a factor in the debate surrounding continued UK membership of the EU, with Germany's willingness to absorb refugees creating potential for them to acquire EU citizenship within a few years thus providing rights of residency across the EU to very large numbers of new immigrants. While the UK has opted out of any plans for a European refugee quota system and Prime Minister

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17 Memorandum to the Foreign Affairs Select Committee, Prime Minister's Response to the Foreign Affairs Select Committee's Second Report of Session 2015-16: [The Extension of Offensive British Military Operations to Syria](#), November 2015

18 David Pollock, ISIS has already lost the war of ideas, despite the spectre of Paris attacks, [Fikra forum](#), 18/11/2015; Munqith Dagher Aaron Y. Zelin and David Pollock, The Islamic State: New Inside Views, [Washington Institute Policy Watch 2535](#), 17/12/2015

Cameron has committed the UK to accepting up to 20,000 refugees from Syria over the next five years, the UK, EU and international community as a whole face a serious challenge in formulating a comprehensive international plan to deal with the worst refugee crisis since the Second World War. Without such a plan, the growing sense in some European circles that governments have lost the ability to control their borders and the resultant 'politics of fear' looks certain to continue.

### **Iran's threats to British interests**

While the international community rightly identifies the very real threat posed by ISIS to its interests, British policy makers should also be aware of the importance of preventing the empowerment of the Iranian-led axis. Assad, Hezbollah and Iran do not share the West's vision for an inclusive system in Syria and Iraq and might exacerbate sectarian tensions in these countries. Furthermore, the sudden expansion of Iran's military and economic potential is causing deep consternation among the UK's traditional allies in the Gulf, already perturbed by their perception of Iran's involvement in their affairs. Tensions between Iran and Saudi Arabia – Britain's largest market in the region – look set to remain high as they clash over conflicts in Yemen and Syria. Meanwhile, Bahrain – where Britain recently began constructing a new naval base – recently withdrew its ambassador and accused Iran of "sabotage, terrorism and instigation to violence" in their country. Falling oil prices are another source of tension and unpredictability. Saudi Arabia is committed to keeping up production and keeping prices low, whilst Iran is keen to win back market share when sanctions lapse, and also keen to see prices rise and provide much needed relief to its struggling economy.

## **CONCLUSION**

These major trends in the Middle East will continue to pose both Israel and the UK with a particularly complex and difficult policy terrain: a regionally ambitious Iran and sub-state actors partially filling a regional vacuum created by fractured, dysfunctional states experiencing an increase in ethnic and religious tension and an unassertive US reeling from its intervention in Iraq; a resurgent Russia; refugees posing huge humanitarian challenges and threatening to destabilise neighbouring countries and Europe. Absent internal or external powers willing or capable of establishing order, chaos and instability look set to remain the facts of life in 2016.

Israel must deter radical sub-state actors on its borders, counter Iran and its proxies, maintain its special relationship with the US and ensure good working relations with Russia. The challenge of low level violence in the Palestinian arena may escalate during the coming year.

The turmoil in the Middle East also poses a significant challenge to UK national security, primarily in the realm of the fight against ISIS – both at home and abroad – as well as difficulties relating to consolidating a coordinated international response to the flow of refugees into Europe.

Whilst Britain may hope to develop a more constructive relationship with Iran, Israel and many Sunni states will continue to warn about the dangerous, radical and sectarian nature of its regional agenda, and the scope of its hegemonic ambitions, something which Britain and Israel share a common interest in working against.

BICOM is a research and communications centre producing analysis and commentary about Israel and the Middle East. Our aim is to build a better, more complete understanding of Israel, its uniquely complex society and challenging security situation. We believe in the right of the State of Israel to live in peace and security, just as we believe in the rights of the Palestinians to statehood. We support a close relationship between Britain and Israel, based on shared values and interests.

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