

CONFERENCE REPORT

The Shifting Global Order and its Repercussions for Al Sharq Region



The global order has been going through a significant transformative phase as a result of many drastic developments. The non-Western global powers, China and Russia, are deepening their clout in their zones of influence, albeit through different strategies. Moreover, COVID-19 pandemic-induced political and economic problems have been compounded by the Russian invasion of Ukraine. These dramatic changes are expected to yield a multipolar, if not nonpolar, world order.

The intensified confrontation between global powers is reshaping regional politics in many ways. On the one hand, a number of countries in the Al Sharq region are in a quest to increase their influence and regional hegemony, capitalizing on the vacuum resulting from global powers' competition. On the other hand, as world politics approaches a Cold War-like polarization, keeping an independent path has become very challenging for Al Sharq regional powers, which have come under mounting pressure to take sides in this confrontation. Therefore, Al Sharq Region countries are in need of charting their future amidst many threats and ambiguities. In a region with remarkable geopolitical significance, maintaining political stability and economic development is unlikely to be an easy endeavor.

In this regard, on June 3-4, 2023, Al Sharq Strategic Research hosted a conference in Istanbul, Türkiye, to bring together dozens of experts, scholars, and policymakers and foster discussions on the following themes:

- Making Sense of the Shifting Global Order
- The Causes and Consequences of the Current Global Economic Crisis
- The Delicate Balance of Multipolarity in the Middle East
- Transformation of the Regional and International Order and its Impact on the Arab-Israeli Conflict
- The Great Power Competition and its Repercussions on Africa
- The Dilemma of South Asia in a Changing International Order

This report is a summary of the discussions and points raised by the speakers and participants during the 2-day-long conference, with no direct reference concerning who said what.

■ Making Sense of the Shifting Global Order



Where does the global order head to? What are the features of the shifting global order? How can the Al Sharq region's countries benefit from the changes in the international order? How can the Al Sharq region contribute to the new global order?

These kick-off questions aimed at having a discussion revolving around specifying the Al Sharq Region's current position and its probable role in the emerging global order.

Following the initial remarks, participants debated about the profound change taking place throughout the entire international system, as well as the Al Sharq region's lack of preparedness for such a shift. These changes have an accumulative nature and multilayered shape and take place at different levels ranging from geopolitics to the economic system.

It was emphasized that Western centralism, which prevailed in politics, economy, and ideology, is no longer the defining factor for the Al Sharq region with the rise of new actors like Russia and China in the international arena. As a result, Western hegemony has been diminishing, and the current international framework provides some gaps that can be filled. Concordantly, the people of South America, Asia, Africa, and the Middle East, namely peoples of the margin and periphery, today have more confidence in themselves vis-à-vis the centuries-old Western centralism as compared to previous decades, despite the West's insistence to present itself as the vanguard and source of principles for the rest of the world. Some attendees also drew attention to the shortcomings of neo-liberalism for the world. They put forth the need for the Al Sharq Region countries to come

up with alternative concepts, principles, and a system deriving from the region's centuries-long wisdom before the rise of modernism. Thus, the region's elites must conceive, develop, and enhance an integrative system to further its peoples' political, economic and social well-being.

With these remarkable changes at the international level, it was argued that world politics has entered what was called "the end of the strategic holiday." Following the outbreak of the Russian invasion of Ukraine, humanity faces the threat of nuclear war, which puts the very existence of humankind at stake. In the previous phases of the world order, international rivalries focused on colonies and resources, leading to the First and Second World Wars. Later, ideological conflicts between the Liberal and the Socialist camps shaped the power dynamics of the international system during the Cold War. However, what is happening now is a struggle for dominance and control over the international system between many prominent actors: the United States, Russia, and China, alongside many rising regional powers which are in the quest to increase their agency during the current phase of the old global system's demise.

Hence, the competition between the major global powers for influence and armament resembles the logic of the Cold War, nonetheless, with cultural and geopolitical, rather than ideological, dimensions, rendering the nature of current conflicts even more complex.

The famous saying of the Italian thinker Antonio Gramsci "The old world is dying, and the new world struggles to be born: now is the time of monsters," was quoted to describe the idiosyncrasy of the current moment.

■ The Causes and Consequences of the Current Global Economic Crisis



Speaking on the repercussions of the current economic crisis in the Al Sharq region, attendees first highlighted the chronic problems facing the regional economy. For instance, it was mentioned that the 57 Muslim countries, despite comprising 21 percent of the world population, only produce 8 percent of the world trade, and only 30 percent of this amount comes from manufactured goods, while the rest comes from energy revenues. Moreover, intra-Muslim, intra-OIC trade is only 18 percent, and the target set by the OIC by 2025 is 25 percent which is extremely low.

Taking the EU as an example, it was stated that the EU was founded as an economic bloc in 1957 by only six countries. Afterward, it turned into a political bloc despite the EU countries' history of bloody conflicts such as the First and Second World Wars. The EU countries were able to create the commonwealth of Europe by increasing intra-trade by up to 70 percent. This increased trade paved the way for decreased political disagreement and increased European integration. A similar process is very much needed for the Al Sharq region countries. A commonwealth of Muslim countries with blueprints in many aspects, such as financial and monetary systems, trade, and education, needs to come into existence as a precondition for political cooperation and integration among Muslim countries.

How the rising tension between China and the US and the envisioned transformation of the international system into multipolarity will affect the regional economy was brought up in the discussion too. It has been stated that China is growingly turning into an economic contender with a more appealing model to the authoritarian countries of the region as it provides an economic success story despite China's authoritarian political system.

Although this transformation gives Al Sharq countries more room for maneuvering in the bargain between both the US and China, not all of them are able to benefit from this opportunity. The national capabilities, the ability to use technology, the geography and size, and the industrial base will all matter in this new setting for the region. Therefore, developing countries like Turkey and Indonesia are poised to benefit from these changes.

Nevertheless, to what extent the current capitalist economic model could help in inducing regional economic reform was a matter of debate. It was argued that, despite all its flaws, the capitalist market has proven to be incredibly resilient, innovative and capable of making a comeback and delivering on some critical objectives that the Al Sharq region has struggled with over time. In this respect, poverty reduction was brought into the discussion. China's capitalist machinery, and market-led economy, together with India, has achieved the most significant reduction of poverty in human history over the past decades. Thus, according to this argument, the Al Sharq region should not reject the current economic model, especially when it does not have an efficient alternative.

On the other hand, it was pointed out that new economic imaginaries are essential for the Al Sharq region's countries. It was proposed that the existing capitalist system, despite the fact that it may have reduced poverty in India and China, is not able to deliver in terms of providing people with equal access to commodities or preservation of natural resources. Moreover, attention was drawn to the fact that a number of countries in the Muslim world are currently facing severe economic crises due to debt markets and the current banking systems.

Overall, to get out of this vicious cycle and to ensure justice for the people and other stakeholders (climate, environment, land etc.), it was advocated that the Al Sharq countries need to think of a healing process based on new imaginaries and concepts.

The Delicate Balance of Multipolarity in the Middle East



The regional polarization between the Arab Spring and the counter-revolution camps was a major theme for discussion in this session. It was argued that the autocratic regimes in the Al Sharq region continued after suppressing the driving forces of the Arab Spring, feeling confident and capable of doing anything they wished. The latest example was the readmission of the Syrian regime to the Arab League after 12 years, despite the objection of many regional and international powers.

Nevertheless, during the discussion, there was a consensus that the reasons that paved the way for the Arab Spring were still present and not addressed. Furthermore, the non-Arab regional powers like Turkey, Iran, and Israel are currently strong and powerful enough to project power in different areas in the region. Therefore, it was claimed that the region is currently at a historic crossroads: the current regimes will either move away from the dynamics of conflict and perpetual confrontation towards reform and consolidation, or the region will remain a hotbed for conflicts and be subjected to different forms of guardianship.

Various regional powers are currently engaging in the normalization processes, such as the recent Saudi Arabia-Iran rapprochement, the UAE-Iran understanding, or Turkey's rapprochement with Egypt, the UAE, and Saudi Arabia; however, it was argued that these rapprochements do not seem to be strategic. Rather, they are likely to remain tactical and temporary, paving the way for more instability in different areas.

The current regional situation is characterized by rapidly changing moments. For instance, during the Arab revolutions, there was a sudden explosion and a number of significant events that occurred when contradictions intersected, leading to

the downfall of the existing suppressive regimes. However, the situation quickly returned to the original contradiction. In some countries, the situation lasted for months, while in others, it lasted longer, and the conditions worsened compared to before. This is seen from the Egyptian experience to the Tunisian experience.

Situating regional politics into a global context, it was not clear to what extent the shifting global order would affect the Middle East. However, it was argued that the US is still the world's leading power militarily and politically. Even economically, the US economy still doubles the Chinese. Also, the idea of US withdrawal from the region was generally accepted with caution. The US retrenchment has not reached the level of withdrawal, and China is unlikely to be a real alternative to the US power. Therefore, the US is highly likely to remain the guarantor of regional security in the Gulf, as an example.

That being said, it was claimed that there is currently a new political mood in the Gulf. The US' loose grip on the Gulf resulting from the Ukraine crisis has provided Saudi Arabia with wider room for political maneuvers. As a result, it can be said that the transformation of the political mood in the Gulf is higher than tactical, yet it is less than a strategic step. Depending on this, the Gulf countries still need to have a common vision and policies, specifically foreign and security policies. Despite the Gulf-Iran attempts for rapprochement, each country has different views or policies towards Iran. The same goes for the Yemeni crisis. Each Gulf country tackled the Yemeni crisis separately and differently.

Lastly, despite all these changes in the international arena, it was concluded that the current regimes in the Arab world have a single project: to defend the status quo and ensure their very survival. It was also agreed upon that the Arab political elites have neither a political renaissance project in their minds nor a well-thought economic plan for their subjects. What is worse, the Arab governments are not well-equipped to deal with the current changes in the world order. They, especially the ones in the Gulf region, are heavily transitioning from a paternalistic rentier state that extracts and sells oil to a more institutional state. This change has prices that Gulf countries refuse to pay, such as political participation and constitutional reform. Overall, they are dragging their feet in front of change. Thus, the hope for a significant change should be low.

Transformation of the Regional and International Order and its Impact on Israel



Out of all Middle Eastern challenges, the Arab-Israeli conflict still has the utmost significance. It was argued that, recently, many factors have improved Israel's strategic situation at the regional level. The increasing right-wing populism in Europe, for instance, gives more confidence to right-wing Israeli politicians. Accordingly, Israel's right-wing government is ready to make alliances with the populist governments of Europe. Moreover, it was argued that Arab regimes-Israeli relations have recently developed in an unprecedented way. It can even be said that these relations have reached the ceiling of Israeli expectations. This is due to some critical factors, the most important of which are: Arab weakness and Arab states' fear of projects toward change in the region and the crisis of legitimacy that the Arab regimes suffer from.

On the contrary, as Israel's grand strategy and interests are based on US hegemony over the international system, any change in the US' status is highly likely to affect Israel's status and existence. In this respect, it was claimed that although Israel has a strategic relationship with the US, the competition between China and US is putting some strains on this relationship as the US comes up with strict regulations regarding Israeli relations with China, which means that increasing relations between China and Israel would further strain the US-Israeli partnership.

Additionally, Israel, as a colonial project, is vulnerable not only to any significant changes in the international order but also to active Palestinian resistance, which has managed to prevent the liquidation of the Palestinian cause. Despite the immense pressure put on the resistance leaders, they stood firmly against the normalization winds. Furthermore, today, countless Jews across the globe see Israel as a moral burden on them due to Israel's unjust treatment of Palestinians. Therefore, there is a significant decline in support for the Zionist institutions and groups, likely reducing Israel's strategic depth in the upcoming period.

■ The Great Power Competition and its Repercussions on Africa



Although the African continent is extremely important in many aspects, it receives little attention from Middle Eastern actors, as many participants noted. The continent's share in the world's total wealth is increasing due to ongoing discoveries, particularly in oil and gas energy resources. Global interest in Africa is also rising, as evidenced by the scale of summits held between Africa and many regional and international economic blocs.

In terms of trade, Africa's ranking has improved significantly. The trade volume has increased from 765 million dollars to 170 billion dollars. The European Union slightly surpasses other trade partners, followed by the United States, Turkey, and the Russian Federation. However, the image changes when discussing arms exports to Africa. In this regard, Russia outpaces others, followed by France, the United States, and China, with only 1 billion dollars, which reflects China's interest in development and investment. Also, India has recently entered the arena in both trade and arms.

It was agreed during the discussion that these facts and examples confirm two points: First, the strategic and future importance of the continent stemming from exploration and expansion within Africa. Second, the increasing interest and international influence of global and regional actors in the continent.

However, it seems that Africa could not impact global powers and international developments without specific reforms, such as significant political reforms leading to stable and effective governance. Awareness of the continent's strategic importance among its leaders and elites can make Africa a genuine partner in international developments, activating continental partnerships and regional collaborations to achieve African solidarity and integration in cooperation with others.

In addition to these, the Horn of Africa, comprising Ethiopia, Djibouti, Eritrea, Sudan, and

Somalia, was given special attention during the discussion, given that the area has become a site of international competition. This can be traced back to colonial history and the ongoing international race to control the areas overlooking the Red Sea and, consequently, international trade. Several countries have military and naval bases in the African continent, such as the military bases in Djibouti for the United States, China, France, Italy, and Japan. It was also added that the four most important trading partners in the Horn of Africa are China, India, Saudi Arabia, and the United Arab Emirates.

During the discussion, the current situation of the countries of the Horn of Africa was briefly explained as follows:

- Ethiopia is considered the dominant state in the Horn of Africa due to its geography, population, and status as a modern state following Eritrea's independence. Despite its resources, Ethiopia has been one of the poorest countries in the world, but it has undergone significant development. Another challenge is the country's ethnic and religious diversity.
- Despite having similar resources, Sudan suffers from one of the world's worst hunger crises. Its location on the Red Sea has made it a region of competition among major powers, and it shares the same trading partners as Ethiopia.
- Djibouti's strategic location has led to investments in its port sector and the leasing of military bases, compensating for its limited resources.
- Eritrea, also benefiting from its strategic location on the Red Sea, has become a target for global powers and one of the largest recipients of foreign aid.
- Although it is more cohesive in terms of religious and ethnic diversity, Somalia suffers from regional divisions among federal states, making it prone to internal conflicts. It has been classified as one of the most hunger-stricken areas in the world.

On top of the abovementioned points, the participants specified the three major global powers in Africa as follows:

1. US: Its presence and new strategy focus on economic recovery, democracy promotion, openness, and building African forces. It views Africa as an important geopolitical site and indisputably has the most considerable military presence in Africa.
2. China: Its interest is clearly reflected in the Chinese Foreign Minister's first annual visit to Africa.
3. Russia: Its economic presence in Africa is less critical in comparison to its military influence, as evidenced by the presence of the Wagner Group in several countries such as Sudan, the Central African Republic, Mozambique, Mali, and Libya.
4. Notable observations regarding this military presence include attempts by countries to establish specific international presence networks through military deployment. There is also a potential presence of new countries like India, Turkey, and Britain.

Lastly, the participants agreed that, while speaking of the African continent, everyone should be cautious not to speak of it as a single entity or state, ignoring political, economic, and wide-ranging diversity.

■ South Asia Dilemma in a Changing International Order



The last session of the conference focused on the South Asia countries and the great power competition's repercussions on the region. Speaking of Malaysia and its positioning in the current international powers' competition, it was highlighted that Malaysia is currently facing China's aggression in its maritime areas. This is primarily taking place in the South China Sea area. Regional and international interests of Malaysia are at stake due to this kind of aggression as a result. Addedly, Malaysia is also the gatekeeper of the Malacca Strait, one of the busiest checkpoints in the world in terms of shipping and delivering goods between East and West. If a conflict or blockade takes place here, it will cause big problems for China. The previous Chinese president, thus, termed this the "Malacca Dilemma." In this regard, China wants to strengthen its influence there, but at the same time, it does not want to put its interests at stake. However, it was also underlined that, according to a recently conducted poll, more than half of the Malaysian population has a positive image of Russia despite the ongoing Ukraine war. This suggests that the population does not easily buy the Western narrative.

In the same vein, the US tries to increase its influence in South Asia through alliances and pacts. This is crystallized in the trilateral security pact between the US, Australia and the United Kingdom known as the AUKUS. Since September 2021, the US and UK have been assisting Australia in acquiring nuclear-powered submarines. According to them, this is supposed to create a deterrent in the Indo-Pacific Ocean. China observes these developments and accuses the countries of the pact of having a Cold War mentality. The Philippines also recently started its trilateral maritime exercise with the US and Japan. It wants to face China's aggression in the South China Sea. This development shows how the Philippines has become a US ally with the new president Marcos, after the pro-China President Duterte.

Malaysia is quite cautious in such a period. Thereby, Malaysia aims to strike a delicate balance between superpowers under the premiership of Anwar Ibrahim. Diplomatic channels are utilized for disputed files based on international law by Malaysia to further peace, stability and beneficial cooperation to avoid tension. Moreover, it was expressed that Anwar Ibrahim wanted to end the hegemony of the US dollar and replace it with local currencies in international trade agreements. Although this is a long way off for Malaysia, Anwar Ibrahim wants to be at the forefront of such a change.

From its side, China seems to use the economy to influence countries in South Asia. It presents itself to the world as a country that does not engage in the domestic problems of other countries. Instead, it tries to present itself as an economic partner. This economic influence, though, is usually transformed into other strategic domains as the cooperation deepens. Parallel to this, until 2017, China was taking action in South Asia while the US was reacting. The power of the US was on the decline vis-à-vis Chinese influence. However, the US balanced this situation with the Quadrilateral Security Dialogue (the Quad), which started as a development project but became a security project after 2017.

In such a critical period, India is also trying to project itself as a regional hegemon. It wants to increase its regional influence by filling up the vacuums. In this respect, the US does not trust India as it did previously. It was also argued that during the Ukraine conflict, India insisted on neutrality, although the Indian elites were prone to the West. However, they have remained neutral in the Ukraine war.

India's rival Pakistan is also facing challenges during great power competition. One participant argued that the US exit from Afghanistan has resulted in the loss of Pakistan's importance. The Taliban's new rule in Afghanistan is not very friendly to Pakistan in any significant way. The new Afghan government tries to reach out to a number of new countries in the region to legitimize itself internationally on its own terms. With the loss of Afghanistan and the kind of hostage role that it played for Pakistan for the last 20 years, Pakistan lost its own concept of strategic depth. Its military, as predicted, recently turned entirely pro-American. It seeks to follow pro-US policies. Thus, it is clear that Pakistan has seen an extraordinary collapse in its global ambitions and status.

India historically tried to remain a neutral power. Nonetheless, it tries to expand its geopolitical reach. This is new. Both China and India are doing this. Their bad relations started out at the time of independence and the establishment of the People's Republic of China. The relationship was primarily about scaling down an imperial inheritance, as claimed by a participant. Today the logic of conflict is quite different. It is no longer about scaling down imperial inheritances. It is all about trying to reclaim those

imperial inheritances. Thus, both China and India are much more expansive in their geopolitical ambitions. China has a real global vision. In comparison, India does not have it. It focuses far more on domestic issues because it is a democracy of sorts; therefore, domestic issues loom very large.

All in all, it was agreed upon throughout the conference that the world order is moving from unipolarity towards uncertain multipolarity, and this situation will be the defining factor in charting the Al Sharq region countries' future trajectory in different realms in the upcoming period. Nevertheless, it remains to be seen whether the Al Sharq region countries are well equipped to face this reality and contribute to the emerging international order with their own characteristics.

■ Main speakers of the conference:

- Abdullah Al-Ghailani, Omani Academic and Researcher.
- Ahmad Badri Abdullah, Malaysian Academic, the Deputy CEO of the International Institute of Advanced Islamic Studies (IAIS) Malaysia.
- Ahmed Al Gendy, Professor of Jewish and Zionist Studies at Cairo University.
- Ahmed Atawnah, Director of the Vision Center for Political Development.
- Amer Larayedh, Tunisian Politician and Parliamentarian, Leader in the Ennahda Movement Party.
- Ammar Fayed, Egyptian Researcher, Ph.D. candidate at Istanbul Aydin University.
- Amr Darrag, Egyptian Politician and Academic, Chairman of the Egyptian Institute for Studies.
- Faisal Devji, Professor of History at the University of Oxford.
- Hasan Aourid, Moroccan Politician, Thinker, and Novelist.
- Hassan Nafaa, Professor and the Former Head of the Department of Political Science, Faculty of Economics and Political Science, Cairo University.
- Md. Nazmul Islam, Assistant Professor of Political Science and Public Administration at Ankara Yıldırım Beyazıt University.
- Mehmet Asutay, Professor of Middle Eastern and Islamic Political Economy&Finance at the Durham University Business School.
- Mohammed Jameel Mansour, Mauritanian Politician and Parliamentarian, the Former President of the National Rally for Reform and Development Party.
- Muhannad Mustafa, General Director of the Carmel Institute-Arab Center for Applied Social Studies in Haifa.
- Rafe Haneef, Chief Executive Officer of Group Transaction Banking at CIMB Group.
- Salah Eddin El Zein, Sudanese Academic, the Former Director of the Al Jazeera Center for Studies.
- Syed Azman Syed Ahmad Nawawi, CEO of the International Institute of Advanced Islamic Studies (IAIS) Malaysia.
- Tarik M. Yousef, Senior Fellow and the Director of the Middle East Council on Global Affairs.
- Wadah Khanfar, President of Al Sharq Forum.
- Yassin Al-Saadi, Doctor of Economics, Former International Advisor at the European Consulting Office.

This report was prepared by Mehmet Emin Cengiz and Mohammad Affan based on the notes taken during the conference.

ABOUT AL SHARQ STRATEGIC RESEARCH

A think tank that looks to undertake impartial, rigorous research to promote the ideals of democratic participation, an informed citizenry, multi-stakeholder dialogue and social justice.

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