

# MIDDLE EAST: THE GEO-ECONOMICS OF THE WAR ON SYRIA

## MIDDLE EAST STRATEGIC LOCATION



Almost a century after the end of WWI the Middle East continues to appear more of a cultural and linguistic evolving, conceptual framework than a concrete political, ethnic or geographic entity. Furthermore, due to various natural and man-made influences, the term as well as its definition experienced various alterations by experts and practitioners. For the purpose of our discussion the term Middle East includes primarily the MENA region plus Cyprus, Iran, Israel and Turkey. Consistently, individually or collectively, they had a role to play as “market makers” or “market takers” in the geopolitical and geo-economic dynamics of the region.

Geo-economics’ in its widest definition represents a most crucial element that underlies the geopolitical dynamics of the ebb & flow of the various world cultures over time and space. The cyclical nature of history reflects the net behavior of the vital geo-economic and geopolitical undercurrents. The Middle East had its share in the past, has it at present and I am sure it will have it in the future as well.

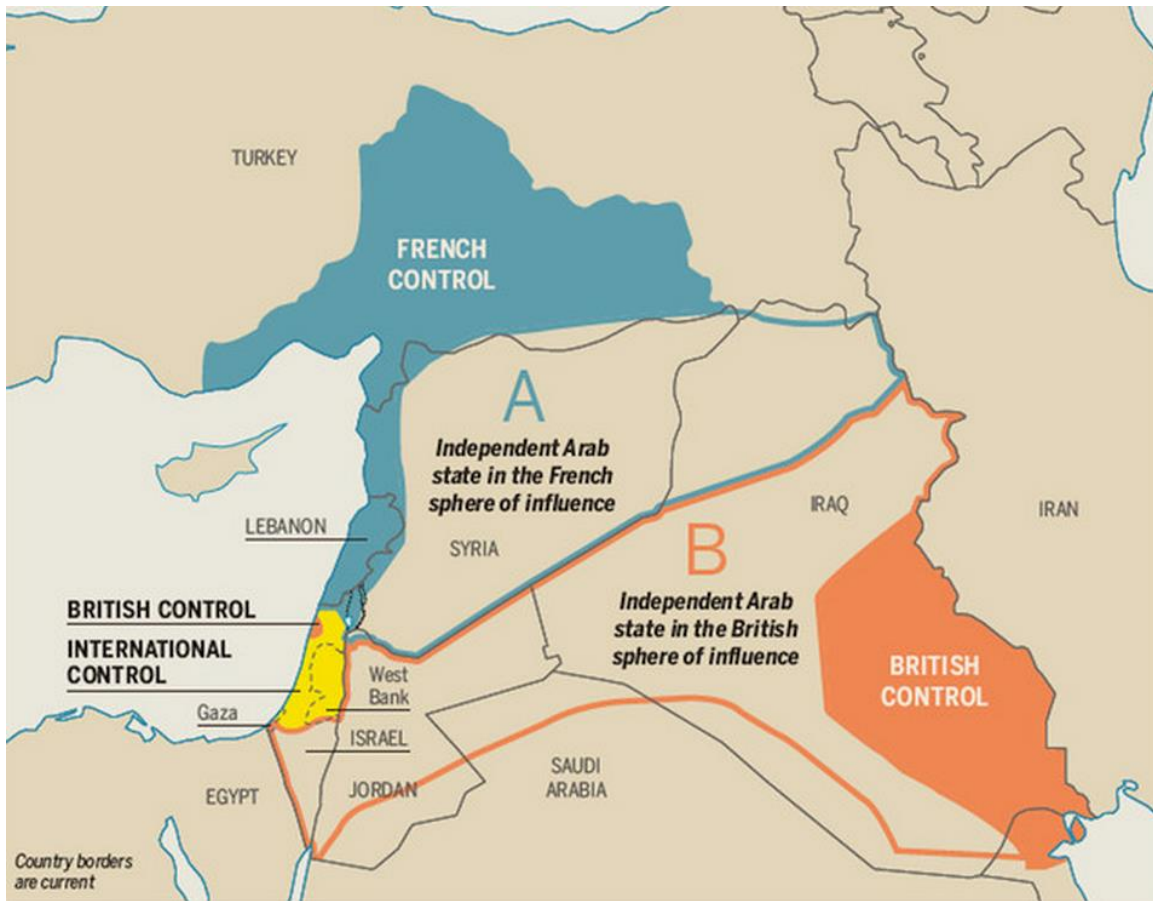
## In 1914 this was the Middle East



WWI was the final blow to the Ottoman Empire after 500 years of control over the majority of the region. It finally ceded its possessions in the Middle East to the victorious more advanced European powers.

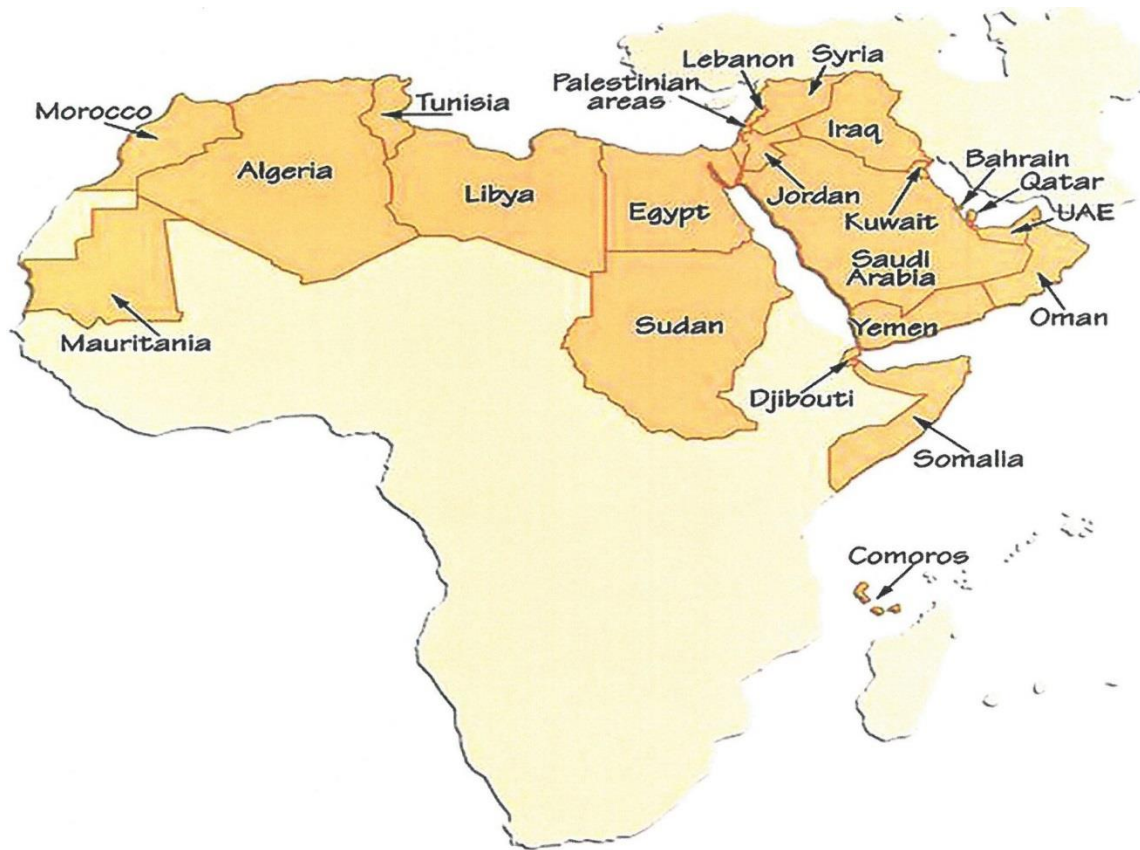
## SYKES-PICOT

By the end of the war the infamous SYKES-PICOT agreement was no longer a secret. The interested victorious countries carved a new Middle East, which became the prototype for further alterations and creations for their own convenience.



By “drawing lines in the sand” many Sheikdoms, Protectorates, Mandates, Emirates and Kingdoms and other geographic areas were reestablished as independent sovereign states and joined the United Nations Organisation. Most of them are currently counted among the 22 members that comprise the Arab-League, an organisation also founded by the ostensibly retreating colonial masters, reflecting the universal political developments.

# Arab-League

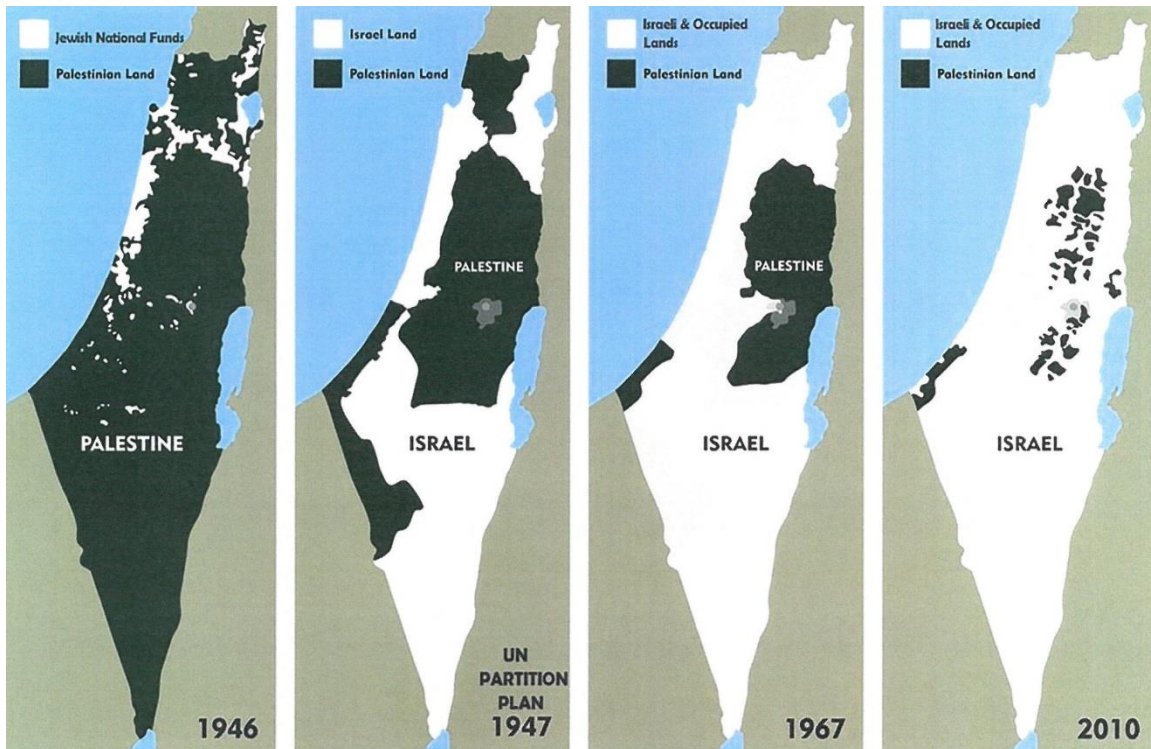


Perhaps this was politically and economically in conjunction with the universal winds of change against colonialism in general. The alleged report of the British Government under the leadership of Prime Minister Sir Henry Campbell Bannerman (1905-1907) regarding the waning situation of colonialism may shed light on the current fragmentation in the Middle East today.

The consequent establishment of part of historical Palestine as a homeland for the European adherents of the Jewish faith in 1948, known as the Catastrophe, played an unsettling economic, political and social factor in the development of the region. Moreover, it became the direct catalyst and the battle cry for the successive military revolutions that have retarded major progress in the region until today. It still plays havoc within the region and beyond despite the current apparent deterioration of the

Palestinian issue internationally, as well as the bellicosity of the Jewish State of Israel backed by the rising power of fundamentalist EVANGELISTS and Christian Zionists, particularly in the USA. An ideology based on religious and ethnic paradigms has thus been manipulated in the region to replace a hopeful institutional, technological and economic advancement that had started to bear some fruit, which was paradoxically introduced by the previous colonial powers.

## Maps of Historical Palestine (1946 to date)



The timeline of history strongly indicates that the Middle East has been coveted by expansionist powers for its location spread over three continents: Africa, Europe and Asia. It controls a major part of the Mediterranean as well as other maritime and onshore strategic positions for resources crucial to mobility of human and non-human resources.

This factor gradually ascended in significance with the advent of the oil and gas era in the latter part of the 19<sup>th</sup> century, and specifically with the discovery of oil in 1908 in Iran. Until then, geopolitical elements were the prime concern of the colonial powers prevailing at that time and a major source of ideological, military as well as mercantilist rivalry amongst them.

Oil resources discovered later in Iraq in the first quarter of the 20<sup>th</sup> century, and Saudi Arabia in the second quarter, elevated the competition over ownership and management

of these resources in the region to a foremost objective by the advanced nations. Lloyd George PM of Britain insisted on gaining Mosul in Iraq at any cost. It is also thought that this was the only country ever created around a pipeline. When Churchill was asked during WWI who is going to win among the European warring countries, his answer was “He who controls oil will win the next war”. Such a statement summarises the primacy of the prevailing political objectives of nations at that time.

However, the political, ideological and military objectives of those nations started to show signs of waning after the cold war ended under a new peaceful world order, at least as defined by the prevailing powers. As a result institutional and legal changes evolved to transform the geopolitical model into a more geo-economic paradigm. The digital and electronic information revolution that followed during the last quarter of the 20<sup>th</sup> century until now gives more credence to this fact. However military, political and financial factors maintained their importance as a last resort.

## SUNNI-SHIITE DIVIDE



The evolution of geo-economics from geopolitics in the Middle East could be captured by a quick analysis of the war on Syria which began in 2011 and which has been questionably described as a brutal *civil* war. The gradual involvement of major hydrocarbon consuming countries and their allies in serious military combat as well as wasting enormous human and financial assets, harbour real geo-economic ends.

The economic objectives of the different states that are physically and financially involved in the devastating wars on Afghanistan, Iraq, and Libya as well as the employment of

multi-national insurgent groups like Al-Qaeda and ISIS clearly harbour economic rivalries supported by political and military actions. Syria represents an interesting corroborating model.

The primary reason for the war on Syria more likely lies in the nature of two competing gas pipeline proposals as purported by a few experts. Nevertheless, I would like to put forward a third gas pipeline proposal, which may end up the winner in this covert geo-economic conflict, which is camouflaged and promoted by the powerful multinational owned media as an overt geopolitical facade.

Consequently the chaotic war on Syria is difficult to understand unless it is sensibly explained through the evolving geo-economics principles. The identification of the countries involved sheds enough light on how currently nations compete to enhance their economic power at the expense of others. They are willing to provide overt and covert, regulatory, political and military means that will justify the attaining of their economic benefits or the diluting of the potential benefits accrued to others.

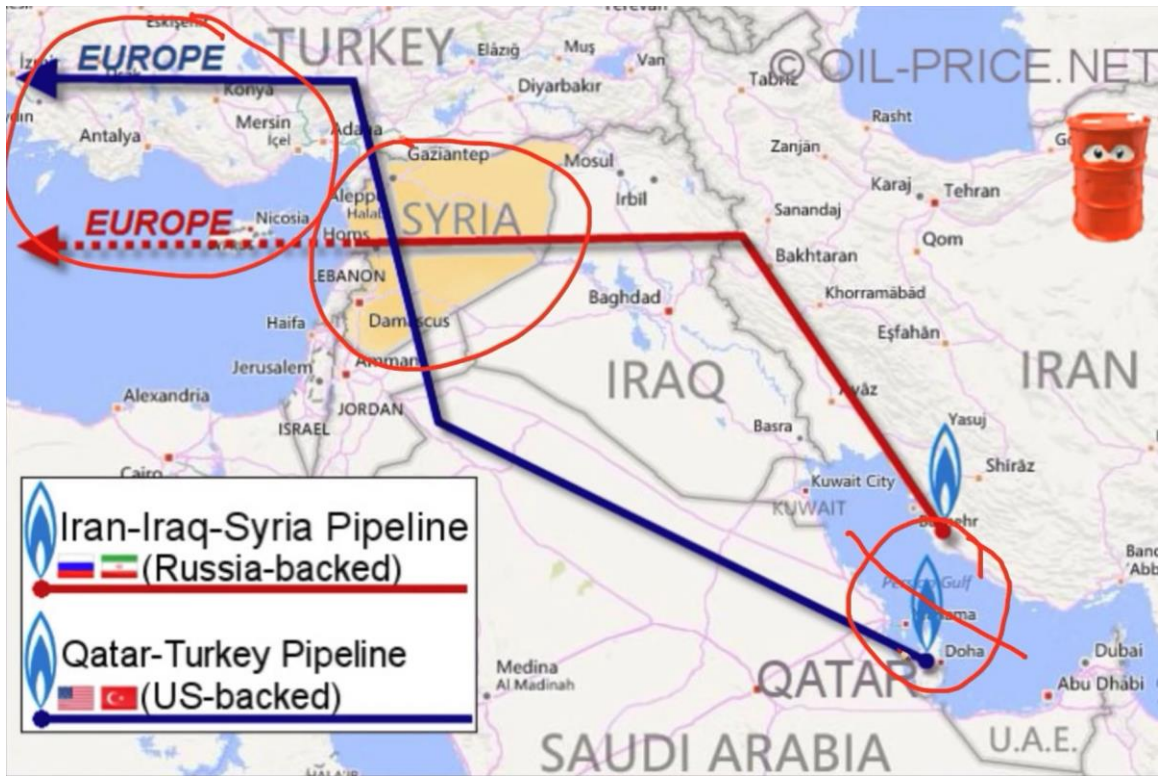
### **The Proposals Simplified**

The risky rate of about 80% of Europe's gas imports comes from the state-owned Russian company Gazprom. Europe decided to enhance its gas security by diversification of its resources which will result in a serious reduction of revenues to the Russian multinational company as well as to its ultimate owner.

The USA, along with other multinational companies, supported such a policy. Also the USA with its huge reserves of shale rock and advance shale fracking technology has the potential to provide Europe with considerable gas volumes. Additionally, it will be more convenient to deplete the financial capability of Russia and curtail the prevailing power Russia exerts over Europe through its selective and politically motivated gas politics.

### **Participants in the two major gas proposals are as follows:**

1. The USA-backed group includes Qatar, Saudi Arabia, Jordan, and Turkey. (BLUE LINE)
2. The Russian-backed group includes Iran, Iraq, Syria and Lebanon. (RED LINE)



**The US-backed** proposal negotiated and rejected by the Syrian government would cost approximately \$10 billion. The 56-inch diameter pipeline crosses the above mentioned countries over approximately 5,600km to feed Europe starting from the North Dome field in Qatar (shared with Iran under the name South Pars) and connecting with European pipelines with Turkey as a hub of distribution. It is intended to carry to Turkey approximately 45 million tonnes per year; thus diversifying its sources of gas imports.

**Gazprom, the exporting Russian State-owned company will experience serious net loss.**

**Turkey, Syria, Jordan, Saudi Arabia and Qatar are net earners.**

**The Russian-backed** gas pipeline proposal from South Pars is almost identical in terms of size and length but ends in Syria with a tributary to Lebanon. Syria and Russia have had a long positive relationship over more than five decades. Simultaneously the Syria-Iran relationship under the Assad dynasty regime enjoyed a strong relationship exhibited in the position of Syria during the 10 years Iran-Iraq war (1978-1988).

**Qatar, Saudi Arabia, Jordan, Turkey are net losers.**

**Iran, Iraq, Syria and Lebanon are net earners.**

The consequences for Syria due to their acceptance of the Russian-backed gas proposal were devastating. In conjunction with dubbing the Iran-Iraq-Syria pipeline as a Shia pipeline, Syria has experienced ongoing social, political and economic hardships of biblical magnitude that disguised the real economic ends sought by the various coalitions.

### **3. Israel PLUS ++ gas option**

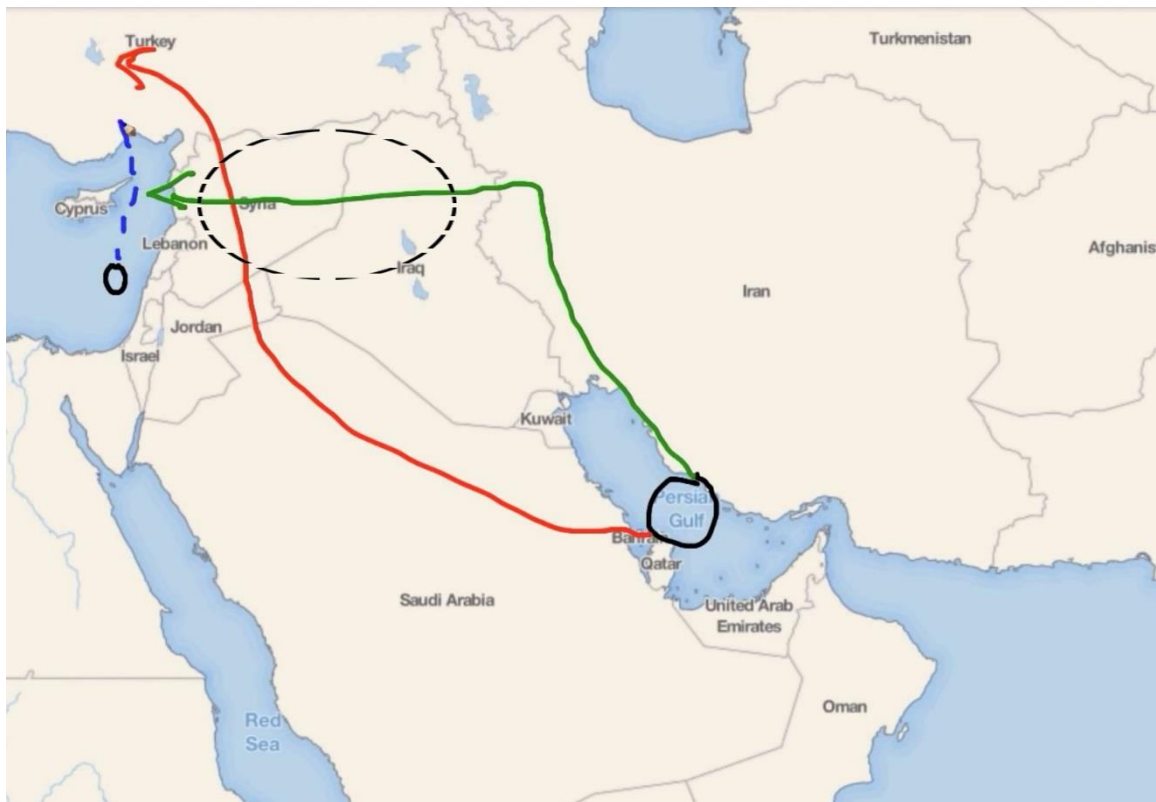
**a) Israel, Turkey offshore gas pipeline (DOTTED BLUE LINE)**

**b) Israel, Cyprus, Greece, Italy offshore gas pipeline (RED LINE)**

The discovery of huge gas reserves in the East Mediterranean (Egypt, Israel, and to a lesser extent Cyprus) offer various options to satisfy the diversification plans of Europe as a major consuming market. From a geo-economic point of view two proposals can be considered as efficient alternatives to the proposed Syrian gas pipelines.

- a) The Israel, Turkey offshore gas pipeline has been discussed formally between the two governments whereby Turkey will enhance its position as a hub for European demand as well as diversify its sources, with less dependency on Russian gas. The pipe itself, though it has some technical difficulties in terms of depth, yet the distance between the two connecting points is only 500 kilometres, with a capacity of approximately 10 billion cubic metres per year, with a plan to expand for re-export for another 10 billion per year and at approximately \$4 billion is cost efficient. Both Israel and Turkey are net earners as the former is looking

intensively for markets. However, the geopolitical issues are an obstacle as the pipeline has to go through the territories of Cyprus which has no relationship with Turkey and rejects its hegemony on the North of Cyprus.



It is important to note that Israel and its allies are the greatest beneficiaries while Russia under current rapprochement for Israeli cooperation will experience net loss as well as potential political influence in the region. Other obstacles could include the issue of the maritime border rights of the East Mediterranean countries under international law, particularly the Palestinian and Lebanese, and potentially Syrian.

## b) Israel, Cyprus, Greece, Italy.



This proposal is backed by Israel and its allies and the USA companies participating in the offshore concessions (Nobel and other affiliates) and seems to be the most efficient solution. Though it may cost above \$10 billion to build this 2,200 km pipeline at a depth of 3.5 km that can transport 16 billion cubic metres (BCM) per year, yet it maximises the security of supply to Europe: an optimal solution relative to other alternatives. It is expected that most of the risks — commercial, financial and political — under this proposal are reduced to a minimum. It also maximises the pecuniary and non-pecuniary profits of all the participants within a stable political environment prevailing in each of the participating countries. It is also important to emphasise the unique opportunity that Greece can play an enhancing role in the region. Its location, its membership of the European Union and its solid relationship with Cyprus and Italy should play a major beneficial role in the sustainable security objective of European diversification of gas resources.

## Conclusion

- The events in the Middle East since the advent of the 21<sup>st</sup> century indicate an evolution of geo-economics from the geopolitics paradigm. Geoeconomics is a basic determinant of its cyclical nature of its past, present and future.
- Nations compete for resources on account of others in order to enhance their economic growth and progress and utilize political, social and military means to justify their economic ends.
- The war on Syria like predecessors in Afghanistan, Iraq, Libya and Palestine could be understood more clearly through this model.
- The construction of gas pipelines through Syria from the north dome (Qatar)/south pars (Iran) giant gas field to transport gas to Europe to diversify its gas resources is purported as the most likely real reason for the war.
- The media as well as experts appear to dismiss the Israel, Cyprus, Greece, Turkey, Italy gas pipeline proposal as a viable alternative to Europe and its allies.
- It incorporates relatively more security factors that can satisfy Europe's long-term diversification policy at the least political, commercial and financial risk.
- Israel's involvement in the war on Syria on the side of the US led-Sunni branded coalition-against the Russian-Shia branded coalition is most likely based on its motive to prolong the destabilisation in the region in order to successfully achieve the execution of its gas pipeline.