



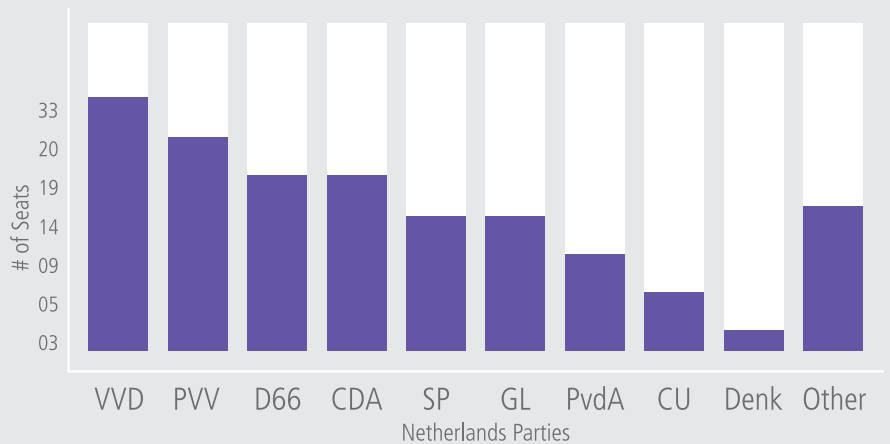
WORLD THIS MONTH

APR 2017

A monthly geopolitical outlook report covering the most pivotal global events and forecasting their impact.

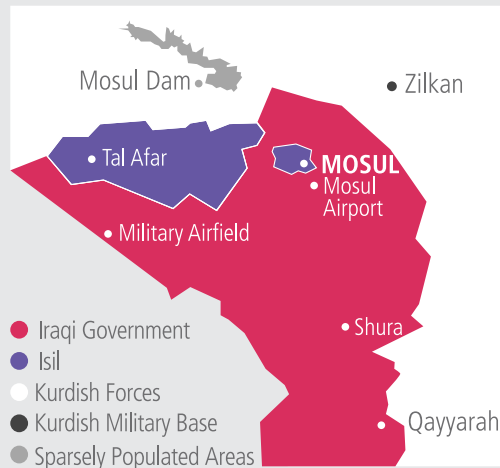
NETHERLANDS POPULIST PARTIES WILL MAKE ELECTION GAINS BUT FALL SHORT OF WINNING

Populist candidates will perform well in upcoming French and German elections, and recently did so in the Netherlands, but mainstream parties will manage to contain their rise and prevent their outright victory. In France, center-left presidential candidate Emmanuel Macron is likely to beat Marine Le Pen, while in Germany a left-right grand coalition led by Chancellor Angela Merkel will minimize the risk of a populist government. As for the Netherlands, despite the relative success of Geert Wilders' far-right party, which finished second in the 15 March vote, he is likely to be excluded from government formation discussions.



IRAQI FORCES WILL LIBERATE MOSUL IN APRIL

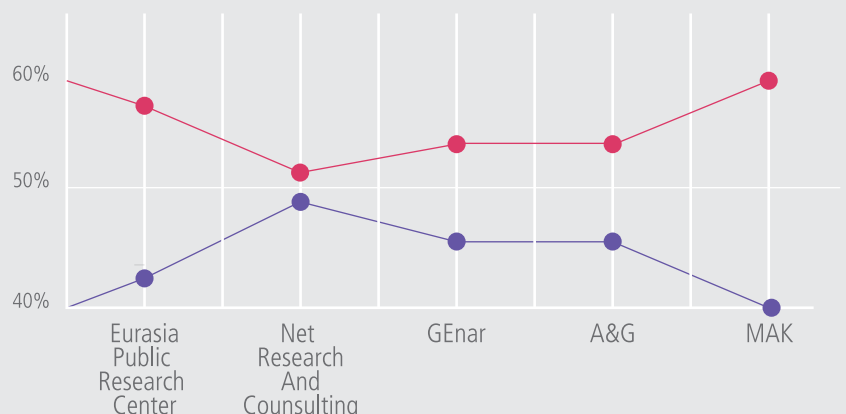
Iraqi forces supported by the US and the predominantly Shia popular mobilization units are making considerable progress and will likely liberate the city in April. Military operations in the western part of Mosul are intensifying, and the remainder of the city will probably be liberated in the next few weeks. Victory here will be claimed by all of the parties supporting the Iraqi government, predominantly the US and Iran. However, the ideological, political, and military agendas of the varied participants in this operation are misaligned and will therefore greatly complicate the stabilization effort.



"YES" VICTORY IN TURKEY'S REFERENDUM WILL NOT DE-ESCALATE POLITICAL RISKS

The "yes" vote is likely to win the 16 April referendum on President Recep Tayyip Erdogan's executive presidential system. Nationalist rhetoric will polarize the debate in favor of the reform, while government control of the media will limit the scope of debate and exclude critics. That said, approval of the referendum will not significantly de-escalate political and economic risks. The state of emergency will probably be extended a fourth time, as Erdogan is not ready to abandon his heavy-handed approach. Moreover, populist economic figures are likely to be strengthened following the vote.

TURKISH REFERENDUM OPINION POLLS



POPULIST PARTIES WILL MAKE ELECTION GAINS BUT FALL SHORT OF WINNING



Whereas populist candidates will fare well and pose a real threat in upcoming European elections, more mainstream candidates will manage to contain their rise and prevent their outright victory.

Macron is likely to win the French presidential election, to be held on 23 April and 7 May, thanks to divisions on the left and a weakened center-right. The candidates of the two mainstream parties will continue to struggle.

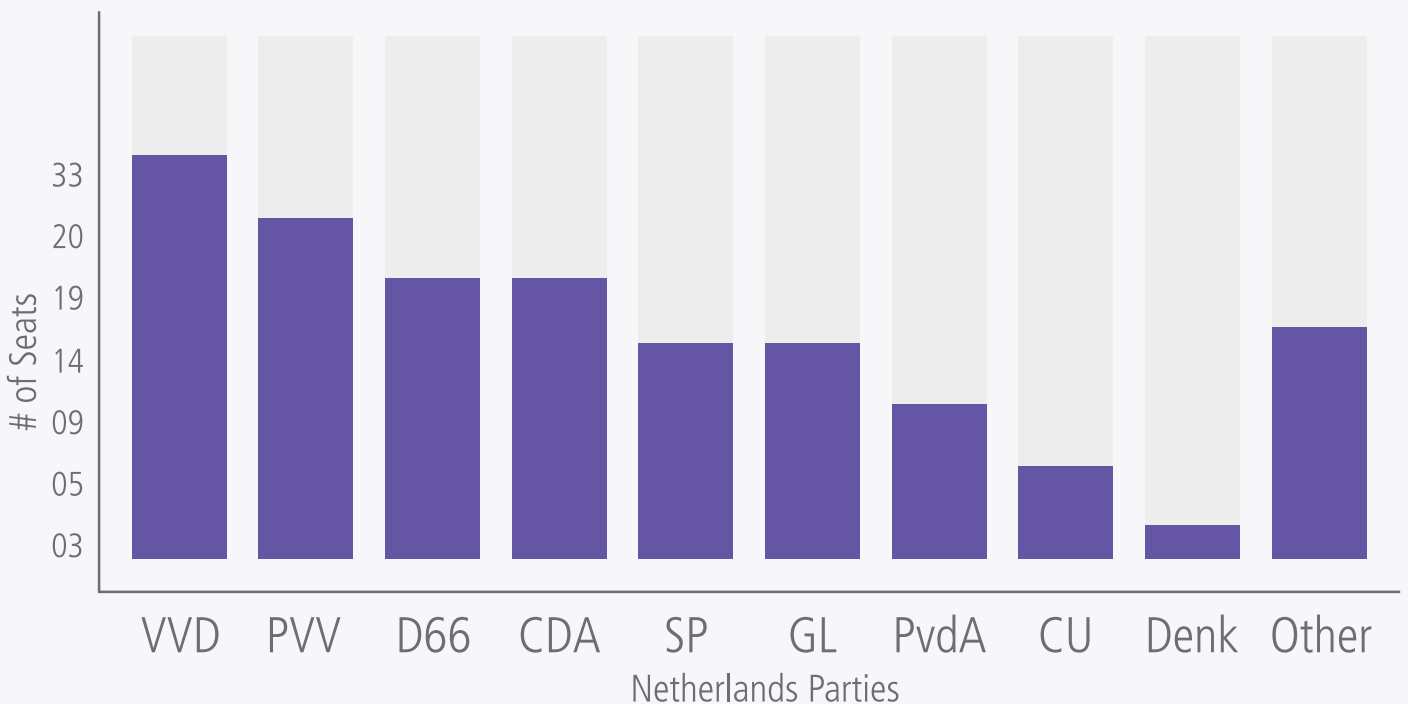
Socialist Benoit Hamon is unable to broaden his appeal owing to his ideologically narrow agenda. And on Macron’s right, Francois Fillon’s attempts to overcome corruption scandals have led him to rely on radical tactics (such as targeting the judiciary), which have put off some voters. Macron is in control of a vast swathe of “centrist” voters, helped by the perception that he is in the best position to beat populist candidate Le Pen, leader of the far-right National Front (FN), in a second-round runoff. In Germany, the populist ascent will be more contained, as the right-wing Alternative for Germany (AfD) is polling around 8%-10% owing to voters’ increasing dislike for a party

associated with US President Donald Trump; AfD is therefore unlikely to be involved in the formation of the next government.

Merkel’s center-right Christian Democratic Union is likely to win the 24 September legislative elections, and see off the challenge posed by center-left Socialist leader Martin Schulz, who has been gaining ground over the past few months as he benefits from the novelty of his participation. Schulz is no populist—he is actually a fairly conventional, center-left politician who accepts the role of markets and advocates using the state to spread economic prosperity to all.

That said, German voters are naturally conservative and, at a time of heightened uncertainty when the factors that have underpinned the German model (European integration, global free trade) are being challenged, Merkel is still likely to come across as the safer pick. A grand coalition likely to be led by Merkel is expected between left and right. In the Netherlands, the moderate People’s Party for Freedom and Democracy (VVD) won elections on 15 March, securing 33 seats, followed by Wilders’ populist Party for Freedom (PVV), with 20 seats. Despite its relatively good performance (the PVV increased its number of seats from 15 to 20), its relative success will not be sufficient to be included in talks to form the next government.

Given the populist leader’s polarizing reputation, center-right VVD leader Mark Rutte will avoid Wilders and turn to mainstream parties, such as the Christian Democratic Appeal and D66, to build his next cabinet.



Edited By



المنتدى الاستراتيجي العربي
ARAB STRATEGY FORUM

Prepared by

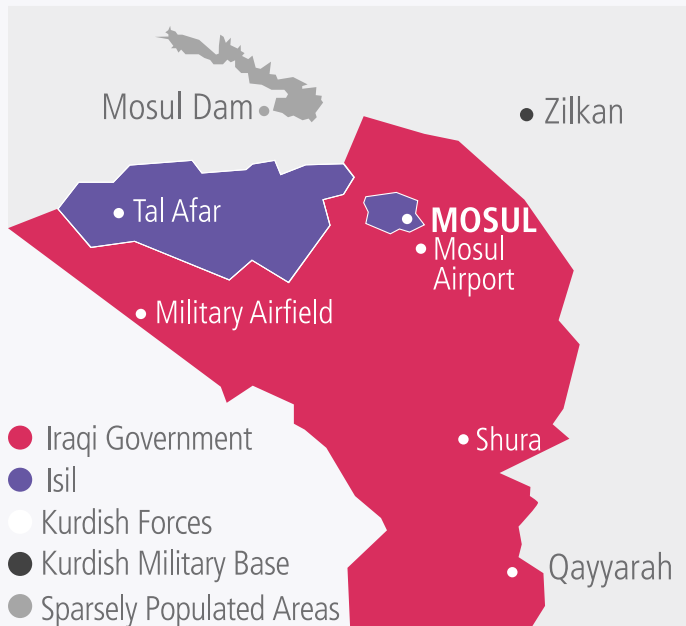


IRAQI FORCES WILL LIBERATE MOSUL IN APRIL



Iraqi forces backed by the US and the predominantly Shia popular mobilization units are making significant progress and will probably retake Mosul next month. Military operations in the city's western portion are intensifying, and the rest of Mosul will likely be liberated in the next few weeks. The Islamic State's resolve has weakened, and it appears increasingly unable to create a quagmire for the Iraqi army and its allies in the area.

Fighters over the next few days will capture the Nuri Mosque in Mosul, where Abu Bakr al Baghdadi announced the formation of the Islamic State; this will mark a symbolic and moral defeat for the radical Islamist group. Victory will be claimed by all of the parties supporting the Iraqi government, predominantly the US and Iran. While the military strategy was designed by commanders under former president Barack Obama's administration, Trump will take credit for the victory and claim it as the first successful step in his strategy to eliminate the Islamic State.



However, the ideological, political, and military agendas of the parties involved in this operation are misaligned and will therefore significantly complicate the stabilization effort. The Iraqi government is seeking to establish control of the area and return all territories lost to state authorities. Iranian-backed Shia militias will also aim to reestablish a long-term presence in the area to prevent the rise of a new iteration of the Islamic State. Meanwhile, Turkey wants to guarantee that its allies have a solid footprint in the region. The US has yet to articulate its strategy, but its broad strategic aim will be to curb Iranian influence in northern Iraq. The Kurds will seek a role as well. Groups affiliated with the PKK have established a foothold in Sinjar (western Ninevah). And peshmerga forces led by Massoud Barzani's Kurdistan Democratic Party will attempt to annex territories in the province.

Despite conflicting signals, the US and Saudi Arabia aim to support forces willing to confront rising Iranian influence in the country and that seek broad power-sharing among various Sunni, Shia, and Kurdish forces. A historic visit by Saudi Foreign Minister Adel al Jubair to Baghdad in late February was intended to back the moderate camp led by Prime Minister Haidar Abadi in the political process. That said, an alternative camp (partly aligned with Iran) seeks to reestablish a strong central government role. Former prime minister Nouri al Maliki leads this bloc and seeks to leverage political competition across the sectarian/ethnic groups to achieve his goals.

Edited By



المنتدى الاستراتيجي العربي
 ARAB STRATEGY FORUM

Prepared by



“YES” VICTORY IN TURKEY’S REFERENDUM WILL NOT DE-ESCALATE POLITICAL RISKS

LIKELIHOOD **60%** IMPACT **70%**

Proponents are likely to win next month’s referendum that would establish Erdogan’s executive presidential system. Despite most opinion polls showing a close contest between the “yes” and “no” camps, the government’s ability to wield nationalist rhetoric will polarize the debate in favor of the reform, while its control over the media will limit the scope of debate and exclude critics. Moreover, the state’s capacity to intimidate the opposition and potential “no” voters, particularly under the ongoing state of emergency, remains significant. Lastly, the government is likely to interfere with voting on referendum day (particularly with ballots from abroad), which will affect a couple of percentage points without drawing conspicuous attention. All of these factors will limit the effectiveness of the “no” camp, which would need to marshal a large turnout to succeed—an unlikely event in the current context.

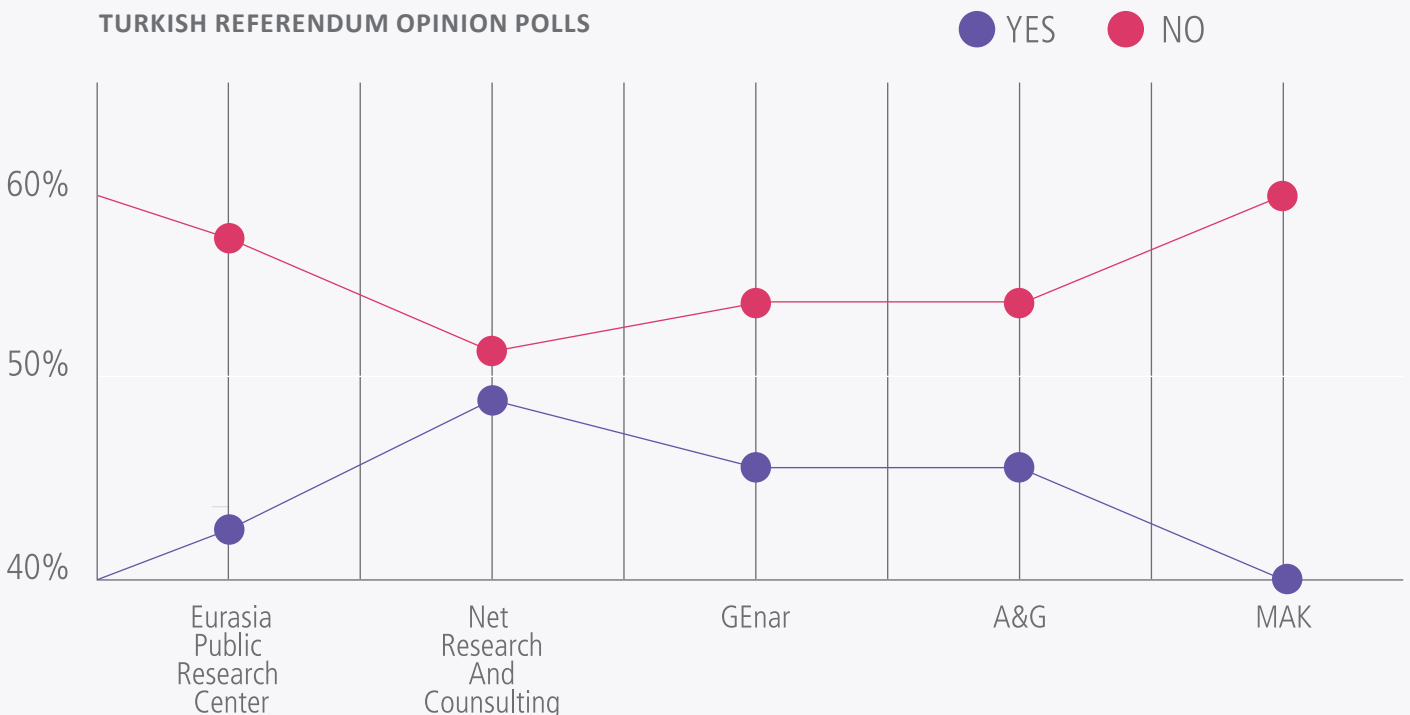
A “yes” vote is likely to relieve some pressure on the government and will reduce its use of economic populism and divisive nationalist

policies. That said, approval of the referendum would not greatly de-escalate political and economic risks. Most of the provisions of the presidential reforms would take effect only following presidential and parliamentary elections scheduled for November 2019, and would substantially weaken Turkey’s system of checks and balances, democratic institutions, and the rule of law.

The state of emergency will probably be extended a fourth time even after the referendum, as Erdogan is not yet ready to abandon his heavy-handed approach to terrorists, dissenters, and perceived enemies of the state. This will continue to have a negative impact on the business environment through weakened rule of law, deepening societal tensions, heightened terror risks, and diminished checks on Erdogan’s power. The president might even wish to extend the state of emergency until the presidential system takes effect, ensuring a smooth transition. A successful referendum is therefore unlikely to result in more conventional economic policy, particularly since populist economic figures in the administration are likely to be strengthened following the result.

From a geopolitical perspective, the referendum will have a very limited impact on Turkey’s policies. The government’s scorched earth policy toward the Kurdistan Workers’ Party (PKK) will continue to drive a wedge between the two parties and increase obstacles to an agreement. Turkey will also remain vulnerable to spillover from the Syria conflict and Islamic State attacks, while disagreements with allies over the role of Kurdish forces in the battle for Raqqa will re-ignite geopolitical tensions.

TURKISH REFERENDUM OPINION POLLS



Edited By



المنتدى الاستراتيجي العربي
ARAB STRATEGY FORUM

Prepared by

