

Turning Gulf Security Upside Down

By **James M Dorsey**¹

Abstract

Resolving the tug of war in the Middle East will require a backing away from approaches that treat conflicts as zero-sum games, and engagement by all regional and external players. To achieve that, players would have to recognise that in many ways, perceptions on both sides of the Gulf divide are mirror images of one another: all parties see each other as existential threats.

Like many paradigms across the globe, the pandemic and its associated economic downturn have changed the paradigm shaping debates about Gulf security that was inevitably set to gradually migrate from a unipolar US defense umbrella that shielded energy-rich monarchies against Iran to an architecture that was more multilateral. In many ways, the pandemic's fallout has levelled the playing field and not necessarily in ways that favour current policies of Gulf states.

Saudi Arabia's relations with the West are increasingly being called into question, with the Saudi-Russian oil price war in March potentially having broken the camel's back. The Kingdom and the United Arab Emirates (UAE) stand to lose at least some of the financial clout that allowed them to punch above their weight even if they are likely to exclude arms purchases from their austerity measures.

Weakened financial clout comes at a moment when the Gulf states and Iran are gearing up towards an arms race in the wake of Iran's recent satellite launch and unveiling of an unmanned underwater vehicle against the backdrop of the 2015 international agreement that curbed the Islamic Republic's nuclear programme inching towards collapse. The unmanned underwater vehicle puts Iran in an elite club, of which the only other members capable of producing them are the United States, Britain and China.² The satellite adds Iran to a group of only about a dozen countries able to do launches of their own.³

Add to this the fact that none of the regional players — Saudi Arabia, the UAE, Qatar, Iran, Turkey and Israel — feel secure that any of the external powers — the United States, China and Russia — are reliable security and geopolitical partners.

Gulf states have, for years going back to the era of Barak Obama if not Bill Clinton, increasingly perceived the United States as unfortunately their only option on the premise that they are not willing to change their policies, particularly towards Iran, but one that is demonstrably unreliable, unwilling to defend Gulf states at whatever cost, and at times at odds with them in terms of policy objectives.

The Gulf states' problem is that neither Russia nor China offer real alternatives at least not on terms that all Gulf states are willing to accept. Russia is neither interested nor capable of replacing the United States. Moreover, its Gulf security plan is at odds with at least the policy of Saudi Arabia.

The plan calls for a security arrangement modelled on that of Europe under the auspices of the Organization for Security and Cooperation in Europe (OSCE). It would be an arrangement that, unlike

¹ This article is based on the author's remarks at the International Relations in a Multi-polar Middle East virtual conference organised by Lancaster University's project on Sectarianism, Proxies and De-Sectarianisation held between 29 June and 1 July 2020, <https://www.sepad.org.uk/event/international-relations-in-a-multi-polar-middle-east>.

² "Iran's UUV to add new dimension to its warfare capability: Forbes", *Tehran Times*, 30 May 2020, <https://www.tehrantimes.com/news/448370/Iran-s-UUV-to-add-new-dimension-to-its-warfare-capability-Forbes>.

³ Mike Wall, "Iran launches its 1st military satellite into orbit: reports", *Space.com*, 22 April 2020, <https://www.space.com/iran-launches-first-military-satellite.html>.

the US defence umbrella in the Gulf, includes Iran, not directed against it. It would have to involve some kind of regional agreement on non-aggression.⁴

Saudi Arabia, under Crown Prince Mohammed bin Salman, has made clear that it is not interested, as is evident in the pandemic where it has refrained, in contrast to other Gulf states, from reaching out to Iran with humanitarian aid even though it last year engaged in an indirect exchange with the Islamic Republic. That exchange died with the killing by the United States in January of Iranian general Qassim Soleimani.

The Elephant in the Room

China is obviously the elephant in the room.

Logically, China and the Gulf states are in the same boat as they grapple with uncertainty about current regional security arrangements. Like the Gulf states, China has long relied on the US defence umbrella to ensure the security of the flow of energy and other goods through waters surrounding the Gulf in what the United States has termed free-riding.

In anticipation of the day when China can no longer depend on security provided by the United States free of charge, China has gradually adjusted its defense strategy and built its first foreign military facility in Djibouti facing the Gulf from the Horn of Africa. With the People's Liberation Army Navy tasked with protecting China's sea lines of communication and safeguarding its overseas interests, strategic planners have signalled that Djibouti is a first step in the likely establishment of further bases that would allow it to project long-range capability and shorten the time needed to resupply.

But like with the Russians, Chinese strategic planners and their Gulf counterparts may part ways when it comes to what would be acceptable geopolitical parameters for a rejuvenated regional security architecture, particularly with regard to Iran. Any new architecture would break the mould of Chinese engagement in the Middle East that is designed to shield the People's Republic from being sucked into the region's myriad conflicts.

The assumption has long been that China could at best postpone execution, but that ultimately, it would have no choice but to engage in the politics of the region. More recently, influential Chinese analysts are suggesting that China has another option: turn its back on the region. That may seem incredulous given China's dependence on Middle Eastern energy resources as well as its significant investments in the region.

These analysts argue, however, that China is able to diversify its energy sources and that Chinese investment in the Middle East is but a small percentage of overall Chinese overseas investment. They describe Chinese Middle Eastern economic relations as past their heyday with economies of both in decline and the prospects of the situation in the Middle East getting worse before it becomes better.

"China–Middle East countries is not a political strategic logic, it's an economic logic. For China, the Middle East is always on the very distant backburner of China's strategic global strategies ... Covid-19, combined with the oil price crisis, will dramatically change the Middle East. (This) will change China's investment model in the Middle East ... The good times of China and the Middle East are already gone... Both China and the Middle Eastern economies have been slowing down ... In the future, the pandemic, combined with the oil price problem, will make the Middle East situation worse. So, the China economic relationship with the Middle East will be affected very deeply," said Niu Xinchun, director of Middle East studies at China Institutes of Contemporary International Relations (CICIR), widely viewed as China's most influential think tank.⁵

Pessimistic forecasts of economic prospects in the Middle East bolster Niu's prediction. Data and analytics company GlobalData predicted in an email that construction in the Middle East and North

⁴ Theodore Karasik, "Is Russia's 'old' Gulf security plan the best it can do?", *Arab News*, 20 July 2019, <https://www.arabnews.com/node/1533096>.

⁵ Niu Xinchun speaking on "How are China's Relations with the Middle East Evolving During the COVID-19 Pandemic?", Chatham House, 19 May 2019, <https://www.facebook.com/watch/?v=2721841274725780>.

Africa not only depressed oil markets and prices but also led to a contraction in non-oil sectors, including construction. “Construction activity for the remainder of 2020 is set to see poor performance ... In addition, public investment is likely to be moderate, which will translate into fewer prospects for private sector businesses to grow — especially within sectors such as infrastructure. Expected increase in taxes, selected subsidy cuts and the introduction of several public sector service charges will influence households’ purchasing power, having a knock-on effect on future commercial investments,” said GlobalData economist Yasmine Ghozzi.

Moreover, the downplaying of Chinese economic interest in the Middle East fits a pattern of reduced Chinese capital outflows. “What we may not have seen is how much China has retreated financially already for the past four years ... Especially since 2016, China's outflows have come down dramatically in both lending and investment. Foreign direct investment is now at about 30 per cent of what it was in 2016,” said Agatha Kratz, associate director of Rhodium Group, an independent research provider.⁶

To be sure, Chinese officials and analysts have consistently maintained that the Middle East is not a Chinese priority, that any future battles with the United States will be fought in the Asia Pacific, not in the Gulf. Their assertions are backed up by the fact that China has yet to articulate a comprehensive policy towards the region and in 2016 issued its one and only white paper on policy towards the Arab world that essentially was an elaboration of its basic foreign and defense policy principles.

More likely than China seriously entertaining turning its back on the Middle East is the probability that it is sending the region a message that is not dissimilar from what Russia is saying: get your act together and find a way to dial down the tension. It is a message that appears to varying degrees to have been heard in the smaller Gulf states but has yet to resonate in Riyadh. It is also a message that has not been rejected out of hand by Iran.

Discussing a possible extension of a United Nations arms embargo against Iran, Saudi Ambassador Abdallah Al Mouallimi, arguing in favour of a prolongation, suggested that it would serve Russian and Chinese interests even though they would not agree with that assessment. They have their views, we respect their views, but their interests would be better served and promoted with the embargo extended,” said Al Mouallimi.⁷

A Chinese Communist Party newspaper made days later a first reference in the People’s Republic’s state-controlled media to reports of an alleged secret 25-year multi-billion-dollar co-operation agreement in Iran amid controversy in the Islamic Republic. Chinese officials and media have largely remained silent about Iranian reports of an agreement worth anywhere between US\$120 billion and US\$400 billion that seemingly was proposed by Iran, but has yet to be accepted by China.⁸

Writing in the *Shanghai Observer*, a subsidiary of *Liberation Daily*, the official newspaper of the Shanghai Committee of the Communist Party of China, Middle East scholar Fan Hongda argued that the agreement, though nowhere close to implementation, highlighted “an important moment of development” at a time that US–Chinese tensions allowed Beijing to pay less heed to American policies.⁹ Fan’s suggestion that the US–Chinese divide gave China more room to develop its relations with Iran will not have gone unnoticed in Riyadh and other Gulf capitals.

An Emerging Tug of War

⁶ Agatha Kratz speaking on “China and the Mediterranean Region in and Beyond the Pandemic, German Marshal Fund”, 3 July 2020, <https://www.gmfus.org/events/china-and-mediterranean-region-and-beyond-pandemic>.

⁷ Joyce Karam, “Russian and Chinese interests ‘better served’ if Iran arms embargo is extended, says Saudi official”, *The National*, 2 July 2020, <https://www.thenational.ae/world/the-americas/russian-and-chinese-interests-better-served-if-iran-arms-embargo-is-extended-says-saudi-official-1.1042822>.

⁸ Seth J Frantzman, “Iran media discuss 25-year deal between Iran and China”, *The Jerusalem Post*, 3 July 2020, <https://www.jpost.com/middle-east/iran-media-discuss-25-year-deal-between-iran-and-china-633739>.

⁹ Fan Hongda, “Iran announced a 25-year comprehensive cooperation plan with China, can Sino-Iranian relations get closer?”

[观察家 | 伊朗宣布与华 25 年全面合作计划 · 中伊关系能否进一步走近?], *Shanghai Observer*, 20 June 2020, <https://www.shobserver.com/news/detail?id=264494>.

How all of this may shake out could be determined by the emerging tug of war in the Middle East between China and the US. Israel has already been caught up in it and has made its choice clear, even if it still attempting to maintain some wiggle room. Nonetheless, Israel in the ultimate analysis knows where its bread is buttered, particularly at a moment where the United States is the only backer of its annexationist policies. In contrast to Israel, the US is likely to find the going tougher when it comes to persuading Gulf states to limit their engagement with China, including with telecom giant Huawei, which already has significant operations in the region.

Like Israel, UAE officials have sought to convey to the US that they see relations with the United States as indispensable even though that has yet to be put to a test when it comes to China. Gulf officials' stress on the importance of ties will, however, not shield them from American demands that they review and limit their relations with China, nor its warnings that involvement of Huawei could jeopardise sensitive communications, particularly given the multiple US bases in the region, including the US Fifth Fleet in Bahrain and the forward headquarters of the US military's Central Command, or Centcom, in Qatar.

The US Embassy in Abu Dhabi, in a shot across the Gulf's bow, last month rejected a UAE offer to donate hundreds of coronavirus tests for screening of its staff. The snub was designed to put a dent in China's health "Silk Road" diplomacy cantered on its experience with the pandemic and ability to manufacture personal protective and medical equipment.

A US official said the tests were rejected because they were either Chinese-made or involved BGI Genomics, a Chinese company active in the Gulf, which raised concerns about patient privacy. The US softened the blow when the prestigious Ohio-based Cleveland Clinic sent 40 nurses and doctor to its Abu Dhabi subsidiary. The Abu Dhabi facility was tasked with treating the UAE's most severe cases of coronavirus.¹⁰

The problem for the US is that it is not only Trump's policy or lack thereof towards the Middle East that undermines confidence but it is also policies that, on the surface, have nothing to do with the Middle East. The United States has been asking its partners including Gulf states to give it time to develop an alternative to Huawei's 5G network. Yet at the same time, it is barring the kind of people entry that technology companies need to develop systems.

A Silver Lining

No matter how the tug of war in the Middle East evolves, the silver lining is that, like China, the United States despite its desire to reduce its commitment cannot afford a power void in the region. That is what may create the basis for breaking the mould.

It will require a backing away from approaches that treat conflicts as zero-sum games not only on the part of regional players but also of external players, like in the case of the US versus Iran, and it will require engagement by all regional and external players. To achieve that, players would have to recognise that in many ways, perceptions on both sides of the Gulf divide are mirror images of one another: all parties see each other as existential threats.

Failure to break the stalemate risks conflicts becoming further entrenched and threatening to spin out of control. The opportunity is that confidence-building measures and a willingness to engage open a door towards mutually acceptable regional security arrangements and conflict resolution. However, for that to happen, major powers would have to invest political will and energy at a time when they feel they have bigger fish to fry and prioritise geopolitical jockeying.

In a twist of irony, geopolitical jockeying may prove to be an icebreaker in a world, and certainly a region, where everything is interconnected. Increasingly, security in the Gulf is not just about security in the Gulf. It is not even just about security in the Middle East. It is about security in the Mediterranean, whether one looks at Libya on the sea's southern shores, Syria in the east, or growing tension in the

¹⁰ Interview with the author, 8 June 2020.

whole of the Eastern Mediterranean. And it does not stop there with regional rivalries reaching into the Black and Caspian Seas and into Central Asia.

Finally, there are the grey and black swans built into partnerships and alliances that are either becoming more fragile like those of the United States or ones that have fragility built into their DNA like the ties between Iran, Turkey, China and Russia. Those swans could at any moment swing the pendulum one way or another.

To be sure, contrary to Western perceptions, relations between Iran, Turkey, Russia and China are not just opportunistic and driven by short-term common interests but also grounded in a degree of shared values. The fact of the matter is that men like presidents Recep Tayyip Erdogan, Vladimir Putin, Xi Jinping and Ayatollah Ali Khamenei find common ground in a view of a new world order that rejects democracy and the rule of law; disregards human and minority rights; flaunts, at least for now, violations of international law; and operates on the principle of might is right.

That glue, however, is insufficient, to prevent Turkey and Russia from ending up on opposite sides of conflicts in Libya and Syria. It is also unlikely to halt the gradual erosion of a presumed division of labour in Central Asia with Russia ensuring security and China focusing on economic development. And it is doubtful it would alter the simmering rivalry between Iran and Russia in the Caspian Sea and long-standing Russian reluctance to sell Iran a desperately needed anti-missile defense system.

In short, fasten your seat belt. Gulf and broader regional security could prove to be a bumpy ride with unexpected speed bumps.

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