
ME101 Lecture 1: Geopolitical Competition in the Middle East | The Gulf States – The Competition for Influence

Speaker: Professor Abdullah Baabood

Date: 20 August 2020

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The United Arab Emirates (UAE) drew considerable attention worldwide in August 2020, following its political decision to normalise diplomatic relations with Israel. As the third Arab country after Egypt and Jordan to do so, such a move invited both the praise and ire of the international community. While some heralded it as a step towards a lasting peace in the Middle East, others viewed the decision as a betrayal of Arab solidarity, where previous pacts between Arab states condemned the formalising of such relations until a separate legitimate Palestinian state is realised.

Providing his own insights, Professor Abdullah Baabood, a visiting research professor to the Middle East Institute at NUS, stressed the need to contextualise this move and other actions by the Gulf countries of late with historical antecedents in mind. Speaking about the role ‘competition’ has had in polarising the region both historically and in the present, Professor Baabood argued that growing concerns over the diversification of the economy away from oil; fears of an Arab Spring and revolutionary tendencies among an increasingly jobless and disenfranchised generation of youth; and a general scramble to secure security arrangements amid the fight for regional hegemony between Saudi Arabia and Iran, among others, have entrenched long-held rivalries between the Gulf states, and pushed them away from cooperation and regional integration with one another. Such developments, Professor Baabood stated, have already caused detrimental consequences for Gulf relations and have severely implicated the wider Middle East and even east Africa. Necessary measures must be taken as soon as possible in confidence-building, cooperation, and mutually beneficial arrangements between the Gulf states, if the Middle East is to see a deescalation in conflict and a move towards a safer and more equitable future for all in the region.

Historical Antecedents for Intra-Gulf Competition, and the Creation of the GCC

Competition is not at all new to the Gulf, particularly since the resource-scarce region has been home to rival and feuding tribal sheikdoms prior to the colonial period. While the involvement of colonial powers such as the British kept some of this competition in check in their attempts to exert their own self-interests, these European powers also introduced the concept of the modern ‘nation-state’, hitherto foreign to the Gulf, which called for clear delineated claims over boundaries between lands, seas, people and resources. The nation-state as the new political arena led to the continued contestation over these boundaries, some remaining unresolved till this day. Some of these contestations still stand in the way of growing regional integration.

However, for the most part, following the creation of the Gulf Cooperation Council (GCC) in 1981, concerns over security and the desire for greater economic cooperation have seen these countries

work more closely as a bloc, particularly against bigger regional players like the Islamic Republic of Iran following the revolution that overthrew the Shah in 1979. While regional integration is complicated and difficult to achieve, the countries in the council have succeeded to some extent, moving from a free trade area to a customs union, and later a common market with the free flow of capital, goods and people. Common projects like linked electricity grids and a rail network have been conceptualised and executed as well, with greater economic cooperation within the private sector and the deepening of ties between peoples across the different nation-states. Much of the growth in the Gulf during this period was also fuelled by the discovery and extraction of hydrocarbon resources that was exported across the world, leading to high levels of economic growth and greater benefits for the citizens of these countries.

Contemporary Fears, Widening Competition, and the Gulf Crisis

The overreliance on oil, however, cannot last, as reserve levels are finite and there have been greater calls worldwide for cleaner and greener alternatives to hydrocarbons as a source of energy. The pressure to diversify the economy away from hydrocarbons and to keep levels of economic growth sustainable for an ever-growing younger population has been less than successful thus far, and the trickle-down benefits to the citizen population at large are dwindling further. The inability of the current generation of youth, most of whom hold good educational qualifications, to secure employment has also been a matter of grave concern for the Gulf countries, particularly as social unrest has erupted into mass movements and protests for both political and economic reforms elsewhere in the Middle East over the past decade (collectively labelled as the Arab Spring). Professor Baabood warned that the Gulf's economic woes were already well underway long before the Covid-19 situation, and have now only been further exacerbated by the pandemic.

In a question posed during the question and answer (Q&A) session, one participant asked about the implications of these decreasing economic benefits for citizens. In response, Professor Baabood stated that many Gulf states have resorted to raising value-added taxes, such as the sin tax on tobacco and alcohol, on its population to help pay for its public sector salaries. The entirety of the social contract between the government and its citizens hangs in a delicate balance as rising costs increase faster than real wages, and amid calls by citizens for greater reforms, governments have resorted to clamping down further on activism and free speech, fearing the repercussions of greater vocal dissent.

As Gulf countries continue to figure out the best way to diversify their own economies, competition between them has accelerated as they attempt to develop the same shared resources. One such example has been the rapid development of a high number of ports across the Gulf in a short amount of time, without coordination between the countries, with each vying to be the principal or most important port in the region. When these efforts have turned futile, several Gulf countries have exported their port developing capabilities to eastern Africa, forcing many of these African nations into unequal relationships and to choose sides within the Gulf competition.

At the same time, amid these difficult economic times, an increasing proportion of Gulf spending has also been directed towards the military in an effort to protect their own interests. These military developments cannot be separated from the further entanglement of the smaller Gulf states in the hegemonic conflict between Saudi Arabia and Iran, and the volatility of American involvement and policies in this region under President Donald Trump. The fear of abandonment by their security guarantor, the United States, together with the perceived growing threat of Iran, have pushed these Gulf states to take matters into their own hands. To guarantee their access to resources, the navies of several Gulf states have resorted to securing trade choke points in the region, especially the Strait of Hormuz, Bab al-Mandab and the Suez Canal, turning these areas into potential flashpoints. Furthermore, countries such as the UAE have also now found themselves entangled within proxy wars in other Middle Eastern countries to ensure that they remain to have the upper hand in the region, most notably in Yemen where a humanitarian crisis now needs to be solved quickly. The spill overs from this competition have even affected Syria, Libya and Lebanon.

Such competition has driven the GCC to its knees and are testing the strength of the council, especially with the current crisis with Qatar that has been playing out since 2017. Some member states like

Saudi Arabia and UAE have criticised Qatar over what they see to be a dangerously close relationship between Qatar and interfering outsiders such as Turkey. New blocs have coalesced, such as the alliance between Saudi Arabia, the UAE, Bahrain and Egypt on one end, and Qatar and Turkey on the other, with other countries in the GCC such as Oman being caught in the middle. The union of the council is threatened, and as countries are pushed further apart by this competition, they seek new allies that can help propel them into a better standing in the region.

Understanding Emirati–Israeli Relations in 2020 and the Future of Gulf Relations

Professor Baabood therefore sees the new and open relations between the Emiratis and the Israelis in 2020 as one such move by the UAE to secure like-minded regional allies and to gain the upper hand. While the Gulf states have historically been very pro-Palestinian, the issue of Palestine has fallen off the radar for these states, and while they may in principle support the Palestinian people, such a stand rarely translates into outward political and diplomatic support for the Palestinian cause anymore. Particularly after the Arab Spring in 2011, the Gulf states have seen their political interests align with that of Israel's, as both parties share a common distrust over Iran, as well as a fear of Islamist groups, including the Muslim Brotherhood, and democratic revolutionaries, which have the potential to incite civil unrest and threaten the status quo. The UAE has also expressed interest in acquiring new weapons such as the F-35S, which they cannot acquire from the United States without the blessing of its closest ally in the Middle East, Israel. Therefore, closer ties between Israel and the UAE, while not guaranteeing the creation of a free Palestinian state, helps the UAE secure a strong and powerful regional ally against Iran.

Competition has been mobilised by the Gulf states as a divisive tool and should be stopped, as the outcome looks bleak for the future of the Middle East. As Professor Baabood emphasised, there must be a focus on confidence-building measures, cooperation and mutually benefiting arrangements if the entire region is to move towards a more peaceful and more equitable existence in the future.

Q&A Session

Responding to a participant's query on how Saudi Arabia might exit the proxy war in Yemen without losing face on the global stage, Professor Baabood said it would be very difficult for it to do so now. The initial confidence of both the then-minister for defence and the crown prince that this war would be short was sorely misplaced, and the parameters of the war have changed significantly from the beginning. The Houthis have been empowered and they now hold greater negotiating power, and the south of Yemen now wishes to separate and gain independence. The solution, according to Professor Baabood, is for a genuine negotiation between the Saudi coalition and the Houthis.

There was also considerable interest from the audience over how a change in the White House might affect the Middle East, particularly if Mr Joe Biden wins the presidency in the upcoming elections. Professor Baabood said Mr Biden has publicly expressed that he is against the war in Yemen and would stop selling arms to Saudi Arabia. However, he also cautioned that the United States presidency is not an isolated office, and that the president must work with a body of different government advisors and institutions like the Senate. Therefore, it remains to be said whether this might translate to real political change. At the same time, it is not clear whether Mr Biden can revive the Joint Comprehensive Plan of Action (JCPOA) agreement with Iran, but the United States will certainly be in a better position than it is right now to negotiate, as the Iranians have stated that they have no interest in speaking to Mr Trump. With Israel, Professor Baabood believes the relationship will remain largely the same. The United States will probably not involve itself further in the region, but it will also not withdraw. A United States under Mr Biden will likely see more reasonable policies as a whole.

Another participant questioned if China should play a bigger role in the region, to which Professor Baabood responded that the country is already playing an important role as the largest global player in investments and trade in the region. Whether China will play an important military role, however, remains uncertain, as it would appear as it is both neither ready nor willing at the moment, although it is building some bases in the region. China can play a much more constructive role in economic cooperation on both

sides of the Gulf, as it is generally a neutral party. It does not call for human rights and democracy, and does not have political baggage in the region. As a reliable and trustworthy partner for the leaders of the region, China does not take sides, and can therefore be a force for good in helping the countries work towards integration and cooperation.

The last question was about how the diplomatic crisis would play out with the Qataris hosting of the World Cup. Professor Baabood said that Qatar has fared very well in the crisis, working to rely on itself and on its youth. While most of the building materials and expertise for the World Cup had been supplied by Saudi Arabia and the UAE prior to the crisis, the stalling of the common trade agreement and the free flow of capital goods and people have meant that Qatar must find alternative ways to build the infrastructure it needs for the global event. At the same time, Professor Baabood stressed that the Gulf is a region that is crazy about football, and it remains to be seen whether Saudi Arabia, the UAE and Bahrain will allow their citizens to attend the event. There would possibly be a backlash and anger towards these respective governments by its citizens, and this will affect other regional integration projects for many decades to come.