These notes provide an overview of the discussion during the Bussola Institute Seminar entitled “The Arabian Peninsula: A New Regional Security Paradigm”, held on 24th October 2018 in Brussels.

The mission and remit of Bussola Institute was outlined at the beginning of the seminar. In order to encourage an open discussion, the seminar was held under the ‘Chatham House Rule’\(^1\). Hence none of the points expressed and/or discussed are attributed to individual contributors.

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\(^1\) When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.
Today, the Arabian Peninsula faces a changing security environment that sees new challenges and changing threats. It is assessed that these shifts, both regionally and internationally, may be leading to a new geostrategic paradigm with direct and indirect implications for the Arab region and with potentially important consequences for the European Union (EU).

The seminar aimed to explore the scope and scale of these perceived shifts and to assess the possible implications this new paradigm might entail for the future of the Gulf Cooperation Council (GCC), and its relationship with the EU, NATO and other international alliances and partnerships.

It was generally agreed that the observed changes to the strategic security picture in the region have been influenced by the shifting economic situation on the Arabian Peninsula. Most obviously, these have included recent turbulence in global energy prices that have adversely affected public revenues. They have also manifested as differing approaches to economic reform across the region, with both Saudi Arabia and the United Arab Emirates more forward leaning in their embrace of economic diversification through their ‘Vison 2030’ and ‘Vision 2021’ programmes than their fellow GCC-member states.
Internationally, another important economic trend that has influenced economic thinking in all the Gulf states has been witnessed in the growing importance of investment from Asia – most obviously through the region’s enthusiasm for China’s Belt & Road Initiative (BRI) but also through increasing engagement from other major Asian power including: India, Japan and South Korea. This economic ‘pivot’ towards Asia has come at a time when the United States has continued efforts to lower its presence in the region and to reduce its security undertakings – “guarantees” – to the Gulf.

A key question that now arises, and was discussed within the seminar, is the extent to which this increasing economic engagement between the Arab Gulf and the rising powers of Asia will be matched by the latter’s willingness to invest in defence capabilities within the region – and in opposition to Iran; itself an important economic partner of China, Japan, South Korea and India. It was also accepted that a major element in the development of the Arabian Peninsula as a security sphere is that the region is faced by challenges not solely from Iran or even from Islamist extremism but also from threats shared in common with the EU – and the US. This means that strategic thinking towards the region now needs to look beyond simply the challenges of energy supply and the Hormuz strait and towards the competing interests of Asia and the West.

Against this backdrop of strategic and economic change, the key question the seminar sought to address is the extent to which the GCC may now emerge – or more accurately ‘re-emerge’ – as a potentially more important ally for the EU. As was pointed out, not only is the Arab Gulf geographically and strategically proximate with the landmass of Europe, but the EU arguably must now decide the extent to which it should take increased steps to foster economic relations, perhaps through intensified efforts to conclude a full Free Trade Agreement (FTA) between the two trade blocs. Moreover, as the US administration puts further pressure on both NATO and the GCC, demanding increased burden sharing in return for continued American support, so EU member states must determine the extent to which mutual economic interests should be bolstered by shared security undertakings – hence the seminar’s focus on a ‘New Security Paradigm’.
THE GCC COUNTRIES’ GROWING INVOLVEMENT IN OTHER TERRITORIES

One of the key, and arguably most evident, elements of recent change is observed in the growing involvement of the Gulf states beyond the immediate confines of the Arabian Gulf itself. This may be witnessed in the development of GCC port facilities and military bases around the Arabian Peninsula; most prominently around the Horn of Africa region but also along the northern shores of the Arabian Sea. It has also been evident in Gulf involvement in efforts to stabilise Libya, develop and strengthen the economies of Egypt and Sudan, and even to bring about the recent diplomatic rapprochement between Ethiopia and Eritrea after a 20-year diplomatic stand-off.

It was generally agreed that to understand the drive behind the GCC’s expansion into the rest of the Arab World and beyond, it is necessary to acknowledge the ambition of all GCC member states to diversify their economies away from sole reliance on their energy resources. GCC countries are looking for new economic opportunities, emerging markets, foreign direct investment (FDI) and aiming to secure access to sources of raw material for their future development.

The total value of the EU-GCC trade in goods in 2017 amounted to €143.7 billion. About 91% of these exports are industrial products including: railway locomotives and aircraft, as well as electrical appliances which makes it significant for continuing GCC economic diversification. At the same time the value of oil and gas imported from the GCC into the EU over the same period totaled €31 billion. This represents a healthy trade surplus for the EU that again underlines the importance and significance of maintaining and nurturing economic relationships between the two regions.
The seminar also considered the impact of China’s BRI project on the GCC. Again, it was generally agreed that BRI offers immense economic potential for the Arab world and for the GCC in particular. However, it is also presents a new set challenges to find proper balance in the relations that bind them to other Asian allies, particularly Pakistan and India.

China’s BRI is a widescale and hugely ambitious infrastructure project that may not necessarily enhance the GCC as a region of power since it focuses as much, if not more, on neighbouring states to the north and east, notably Iran and Turkey, rather than the Gulf states per se.

Beyond the BRI, the growing importance of the region as its own source of power has also been demonstrated recently by Qatar and Turkey: the two countries announced in late 2017 the development of facilities in Sudan. Russia is also looking to maintain a strong political and military presence in the region.

Against this backdrop, the GCC countries are seeing the need to more extensive political and strategic engagement in the region. They are also playing a more decisive role along the southern shore of the Mediterranean as a result of recently strengthened relations with Egypt, Morocco and in support of General Haftar’s anti-Islamist alliance in Libya.

It seems that the GCC member states now recognise the need to be playing a stronger strategic role in the Red Sea and the Arabian Sea – and by extension, the GCC may now be more profoundly influencing movements along and across the Mediterranean Sea and into southern Europe.

It was argued that if properly coordinated with other international allies, there is now the potential that the GCC countries can help to improve stability across the whole of the Middle East. However, to achieve this objective, it was agreed that both the US and the EU need to encourage an overarching set of security arrangements and continue help to underpin security in the region.
THE CHALLENGE FROM IRAN

In the context of the Arab Peninsula’s emergence as a regional security influence, the seminar moved on to consider the threats and challenges posed by Iran. It was generally agreed that Iran’s baleful influence and its tendency to meddle in the affairs of other Arab states was unwelcome and continues to pose a direct threat to the interests and well-being of the Arab Gulf.

In particular, Iran’s involvement in Yemen, Lebanon, Syria and the GCC member state, Bahrain, has destabilized the region’s security. Furthermore, it is widely accepted that Iran continues to support and finance Islamist terrorist activity in different locations around the world, including in both the GCC itself and across the EU.

In this regard, it was suggested that the 2015 agreement of the Joint Comprehensive Plan of Action (JCPOA) might now be considered a political miscalculation. The negotiation of the JCPOA was, and continues to be, championed by the EU. The Agreement’s supporters have argued that it shows the EU embracing an opportunity that could, and hopefully will, lead to a longer-term political agreement to end Tehran’s hegemonic ambitions in the Arab world and bring Iran back into the mainstream of normalized international relations.

However, it was also argued that this short-termism, encouraged by some European leaders eager to benefit from restored economic relations with Iran and to enable European multinationals to pursue economic opportunities in the country, may instead have led to worsening some conflicts in the region – notably in Yemen and Syria. It was also suggested that the JCPOA is now regarded as tantamount to appeasement of Iran, hence President Trump’s decision to withdraw the US from the agreement and to reimpose economic sanctions.
It was acknowledged that the differences of stance towards the efficacy of the JCPOA has set the EU in opposition to the GCC on this issue. While EU policy is to maintain continued support for the JCPOA, it not only puts Europe at loggerheads with America but it also makes strengthening EU-GCC relations more challenging. That said, it was agreed that Europe’s main hope that the JCPOA would encourage a change of behaviour by Iran’s leadership and enable Iran to re-enter the mainstream of international relations has not been realized. As one contributor observed, it is as though Iran has pocketed the benefits accruing from JCPOA without delivering on its side of the agreement. In the longer run, this makes the future of the nuclear agreement less certain and there seems to be reluctant acceptance that the hard-fought negotiation that resulted in the JCPOA may ultimately come to naught; primarily because of Iran’s refusal to halt its meddling tendencies and unwavering desire to continue exporting instability and revolution to the region.
Finally, the seminar considered the impact of newly emerging security architectures in the Gulf region; primarily the recently announced plans for a Middle East Security Alliance (MESA) which have been encouraged particularly by the Trump administration in the US. This initiative, involving not only the US but also the six Gulf Arab states plus Egypt and Jordan, has swiftly been dubbed the ‘Arab NATO’ but it was also emphasised that MESA is very different from NATO in lacking a shared strategic threat and certainly no commitment – so far at least – for an equivalent to NATO’s Article V under which any attack on a single NATO member country is deemed an attack on all member states.

In reality, MESA seems to be more an effort to enable increased burden sharing and further reductions of US military commitment to the region than it does an effort to build a full defensive alliance, covered by the ultimate guarantee of an American nuclear umbrella. But it was also argued that this, at least in part, seems to chime with GCC preparedness to accept the increased responsibilities of its own regional defence.
Despite what may be thought, the history of the GCC countries remains a relatively short one. Indeed, with the exception of Saudi Arabia, most GCC states only achieved full independence following the UK’s 1968 decision to withdraw from ‘East of Suez’ – interestingly, a decision that the present UK government is now seeking to reverse as it seeks to rebuild its global influence in the wake of Britain’s plans for departure from the EU.

Since the 1970s, the region has faced a range of strategic security challenges, not least Iraq’s invasion of Kuwait in 1990. The region has also been deeply affected by the lasting consequences of the US-led coalition’s invasion of Iraq in 2003, international dismay at the rise of Islamist inspired terrorism and the eventual emergence of IS, and continuing Iranian opportunism and efforts to destabilize the region; most obviously reflected in Iran’s support for the Houthi seizure of power in Yemen following its rejection by the majority in previous peaceful elections in 2015.

It was generally agreed that, despite the many shifts in the strategic picture on the Arabian Peninsula, and US ambitions to draw down its military presence in the region, there seems little doubting that the US for the foreseeable future will remain the Gulf’s essential strategic partner. While there has been discussion of a closer partnership with NATO, most prominently reflected in the 2004 Istanbul Co-operation Initiative (ICI), the seminar broadly accepted that there seems little prospect of any serious Gulf-NATO agreement, particularly when views on the principal adversary – in the Gulf’s case Iran and in NATO’s case Russia – still appear so divided.

Equally, within the GCC it seems evident that a bloc that was formed in the shadow of the Iranian revolution, and casts itself at least partly in terms of its mutual and collective defence, there is a problem of internal cohesion. Currently, this is evident in the continued stand-off between Qatar and its Gulf neighbours. This apparent lack of unity presents challenges not only for the Gulf’s principal great power ally, the United States, but also for the EU as European member states continue to pursue and develop primarily bilateral, rather than collective, economic and defensive agreements.
Overall for the EU, the Gulf states present both opportunities and challenges. Most importantly, the emerging strategic paradigm that is evident in the shift away from a limited focus on the strategic defence of the waters and coastline of the Arabian Gulf towards recognition of the Arabian Peninsula in its strategic entirety is of vital importance. This provides the context for understanding the GCC’s increasing strategic involvement in the Horn of Africa, the role that individual Gulf states are playing in Libya, Egypt and as far afield as Mali. It also means that, as the EU seeks to exert strategic influence along the North African littoral and to sustain relations with Turkey in opposition to Russian hegemonic ambitions for its own greater involvement in the Arab world, so the EU needs to recognise the GCC collectively as an important strategic, as well as economic, partner.

As the seminar concluded, this is the paradigm shift that Europeans should acknowledge and understand. The Gulf states should no longer be regarded as simply an important source of Europe’s oil and gas and a nice place to visit for ‘winter sun’, but as an increasingly important partner that can help significantly to shape the discourse and narrative concerning Europe’s future relations with the rest of the Arab world.