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US-GULF RELATIONS AT THE CROSSROADS: TIME FOR A RECALIBRATION

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Cover photo: U.S. Secretary of State Antony Blinken and Saudi Arabia's Foreign Minister Prince Faisal bin Farhan deliver remarks to reporters before meeting at the State Department in Washington, DC, Oct. 14, 2021. Photo by JONATHAN ERNST/POOL/AFP via Getty Images.

EXECUTIVE SUMMARY

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- The global response to Russia's invasion of Ukraine has focused new attention on friction between the United States and its traditional partners in the Gulf region. Where the U.S. perceives the Russian aggression as a fundamental assault on the rules-based international order, Gulf states resist pressure to align definitively against a Russian government with which they enjoy generally positive relations.
- But the difficulties in the relationship predate and transcend differences over Ukraine and reflect as well declining regional confidence in U.S. commitments and U.S. frustrations over regional policies that challenge its policy preferences.
- Efforts to preserve vital U.S. interests in the region require new strategic approaches to address and resolve differences.
- Securing the cooperation of the Gulf states largely depends on the U.S.'s ability to show them that it is serious about defending them against Iranian aggression.
- The U.S. has an obligation to help its Gulf Arab partners develop effective military capability.
- What's needed more than anything else in U.S.-Gulf security ties is a coherent structure for strategic consultation and coordination.
- The Gulf Arab states have a stake in defending the liberal economic order, in capital mobility, transparency, and international law.
- The future of Gulf prosperity will be in continuing a trajectory of economic integration and liberalization of its labor markets, ownership structures, and competition.

KEY POLICY RECOMMENDATIONS

- Nominate and confirm ambassadors to each of the GCC member states.
- Build an institutional framework that provides for senior level review and action to resolve emergent issues in U.S.-Gulf relations and to identify areas of mutual interest and opportunity for cooperative engagement. The framework should include at least twice-annual summit meetings between the president and Gulf counterparts.
- Stabilize U.S.-Saudi relations.

- Establish a new Strategic Defense Framework with the Gulf Arab states to upgrade the security partnership in ways that reaffirm key principles and set clear and achievable goals for the defense relationship.
- Implement joint contingency planning with more willing and capable Gulf Arab partners on Iran.
- Set up a fusion cell on the Houthi missile and unmanned aerial systems threat with Gulf Arab partners to provide them with intelligence and real-time warning about attacks.
- Create an integrated air and missile defense architecture in the Gulf.
- Work together with Saudi Arabia and the UAE to meet the ongoing need for petrochemical products and oil production during the energy transition and make production cleaner, more cost-efficient, and reliable.
- Create an international forum or dialogue among major energy producers outside of the OPEC framework involving both the U.S. and the Gulf states.
- Maintain the stability of global trade routes, including those that surround the Arabian Peninsula.
- Coordinate policy though international financial institutions, U.S. government development finance arms, and Gulf state development funds to finance projects to mitigate the effects of climate change in the Gulf.

Introduction

The era of U.S. relations with the states of the Gulf Cooperation Council (GCC) that reached an apex with the U.S.-led Operation Desert Storm in 1990-91 has come to an end. Multiple shocks, both internal to the region and external, have driven considerable recalculations of national interests on both sides and raised questions about the durability and utility of maintaining ties at their current level.

The regional reaction to Russia's invasion of Ukraine has reinforced skepticism regarding the United States' status as the dominant international partner in the Gulf. The new multipolar reality, characterized by the expanded influence of China and Russia in the region, has pushed the major GCC states toward a position of strategic neutrality. China's role as the region's number-one trading partner and Russia's participation in the OPEC+ oil consortium shape to a significant degree their responses to major regional and global developments. Nevertheless, the United States and the Gulf Arabs share a vital interest in cooperation that can mitigate against a further breakdown in the relationship. It's time for both sides to identify a realistic way forward that sheds outdated notions of mutual obligation without becoming merely transactional.

An Enduring Partnership Overtaken by Events

The lack of shared democratic values in U.S.-Gulf ties has always made them vulnerable to the shifting winds of regional and global developments. While the absence of this political-cultural link has limited the cohesion of the partnership, relations at times have been further complicated by starkly different perspectives on governance within the GCC. Whenever the United States has pressed for greater respect for human rights and civil liberties among its regional partners, they have bridled at what they consider to be direct interference in their internal affairs and a failure to acknowledge the measurable progress they have made in providing security and well-being for their populations. These fissures deepened during the Arab Spring period starting in 2011, when the GCC states not only perceived U.S. policies as responsible for popular uprisings against long-standing friends in the region but also worried that the United States might turn its rhetorical guns on them.

Despite these limitations, the glue that long held the relationship together was the twin pillars of defense and energy. But those too have been shaken in recent years. On the energy side, the growth of U.S. domestic oil and gas production has led many in Washington to assert (mistakenly) that energy production in the Gulf was no longer of strategic importance to the United States. At the same time, that increased production has led many in the region to view the United States as a rival rather than a partner in maintaining the stability of the global energy market.

There were notable U.S.-Saudi stresses over energy production in the early stages of the global pandemic, when the Saudis significantly increased production to discipline primarily Russian producers but with the U.S. industry suffering at least collateral damage. More recently, both the Saudis and the Emiratis have turned aside Biden administration requests to increase production to help stabilize rising energy costs and tamp down inflationary pressures. Although the Emirati ambassador to the U.S. suggested his government was willing to introduce the idea of a production increase to its OPEC+ partners, the message was quickly contradicted by his own government's energy minister. Since the onset of the Russian war in Ukraine, the administration has redoubled its efforts, though without success, in order to contain the global economic damage arising from the conflict. Publicized regional rejections of President Joe Biden's request have sharpened negative views of the GCC states on Capitol Hill and more broadly.

For the Gulf Arab states, the raison d'être of their strategic alignment with the United States rested on the core American commitment to their defense. But this commitment is increasingly in doubt. The emphasis across Democratic and Republican administrations on the need to reduce the U.S. military presence in the Middle East in order to address more pressing strategic challenges in Asia has taken a toll on regional confidence in U.S. reliability. The Obama administration's nuclear agreement with Iran in 2015, known as the Joint Comprehensive Plan of Action (JCPOA), didn't take into account the Gulf Arabs' concerns over other aspects of threatening Iranian behavior, thus exacerbating their skepticism about U.S. security guarantees.

Despite regional expectations that the Trump administration would reverse Obama-era policies and restore robust

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U.S. security guarantees, President Donald Trump's reluctance to respond forcefully to conventional Iranian aggression in 2019 against Saudi Arabia reinforced for them the unreliability of the U.S. security umbrella. Regional confidence in the U.S. commitment has continued to wane with the Biden administration and its effort to return to the JCPOA, which will also involve lifting the Trump-era "maximum pressure" sanctions.

While always a factor in the U.S.-Gulf defense equation, U.S. domestic politics have made the issue of arms sales to the region increasingly fraught as opposition to the conflict in Yemen as well as anger at Saudi human rights and civil liberties abuses have intensified opposition to the defense relationship. Moreover, the mishandling of the U.S. withdrawal from Afghanistan raised doubts in the region not only about the U.S. willingness to honor its defense commitments but also its capacity to do so.

The Rise of Alternatives

Against the backdrop of increasingly fractious U.S.-GCC relations, both China and, to a lesser extent, Russia have demonstrated an interest in expanding their relations. China's emergence poses a significant challenge to U.S. interests and may become more relevant as the region absorbs the implications of Russian expansionism while perceptions persist that the U.S. is a declining power. China has already emerged as the primary economic trading partner with regional actors. Its growing military presence in the Red Sea and the Gulf, especially in Djibouti, has been a source of concern for the security of U.S. military operations in the region. Beijing's willingness to sell critical military technologies to regional customers, notably drone and ballistic missile systems, reinforces destabilizing military competitions and introduces systems that threaten the security of regional partners as well as U.S. personnel, facilities, and weapons systems. Overall, China's rising regional profile has complicated U.S. ability to achieve key foreign policy and national security objectives in the region. GCC partners have been explicit in warning U.S. interlocutors that they will avoid being drawn into a U.S.-China competition for influence in the region, at the same time reiterating their preference for maintaining close ties to the U.S.

Although Russia's efforts to regain influence in the Gulf region have generally been seen as less concerning than the rise of Chinese power, the current conflict with Ukraine may have encouraged an emboldened Vladimir Putin to pursue aggressive new projects there. After decades of absence from the broader Middle East, Russia returned in force with its 2015 military deployment to support Bashar al-Assad in Syria, exploiting U.S. hesitancy to aid the Syrian opposition. The Obama administration misread likely regional responses to the Russian action, anticipating that the move would be widely condemned. Instead, although deploring its support for murderous attacks against Syria's (mostly Sunni) civilian population, leaders in the region expressed a degree of admiration for Russia's support for its friends, contrasting that to perceived U.S. fecklessness in standing up for long-time partners like Hosni Mubarak or the administration's reluctance to enforce President Barack Obama's declared "red line" on the use of chemical weapons in Syria.

Russian engagement as part of the OPEC+ consortium has added further to Moscow's regional presence. Playing a relatively weak hand, Putin has nevertheless exploited opportunities to expand Russian influence, particularly in defense and security affairs, including reestablishing Russian ties to the Egyptian defense sector both directly and through their shared position on Libya, as well as their under-the-table cooperation with Israel. These broader regional links would also aid the Russians' desire to sell equipment to the cash-rich GCC states. A proposed Russian naval base in Sudan, which would be only the second Russian base outside the former Soviet Union and the first in Africa, is currently on hold due to Sudan's internal political uncertainty. But a permanent Russian presence in the Red Sea would foster a substantial growth of Russian influence along vital maritime trade routes.

For the time being, much of the future direction of Russian engagement in the Gulf region will revolve around the fate of its Ukraine invasion. The poor performance of the Russian military in the campaign thus far may have damaged Putin's regional reputation and limited his ambitions for the moment but that might be only a temporary setback if Russia ultimately achieves its objectives. Success will broaden respect for Putin and likely bring a new willingness to cooperate with him. Conversely, failure, especially if the U.S. and its allies are successful in forcing a Russian back-down, will reduce the aura of power around Putin and lessen his influence. For the moment, the Gulf Arab states are hedging their bets. In addition to refusing requests to help stabilize global energy markets by increasing oil and gas production, regional media continue to provide sympathetic coverage of the Russian invasion and Gulf leaders, especially Mohammed bin Zayed and Mohammed bin Salman, remain in contact with the Russian president.

A reaction of the Gulf Arab states, especially the UAE, to the Russian invasion of Ukraine, has been to accept Russian assertions, despite U.S. denials, that the United States back-tracked on an earlier commitment to honor Russia's dominance in a security ring at its borders along its former satellite states. The Gulf monarchies see a threat to the status-quo, while the United States sees a Ukrainian nation that has moved steadily toward a more democratic and self-determined future. Recognizing the concern of the Gulf Arab states for regime survival and rejection of democratic agency will limit American expectations of cooperation in the region and globally.

Preserving US Interests

For the foreseeable future, maintaining stable, positive relations with the Gulf Arab states will be a vital U.S. national security and foreign policy requirement. Where there are common interests, including the immediate need for a stable global energy supply and limiting the escalation of food prices, the United States and the Gulf can find common ground. Gulf foreign aid and investment within the wider Middle East and Africa will be essential to meet these challenges. Moreover, the current tight oil market will bring in a windfall of revenue to Gulf exporters. There is an opportunity to partner with the Gulf Arab states to direct a portion of that revenue toward climate adaptation and renewable energy production in the Middle East, with the Gulf national energy firms and their investment arms as innovators and owners of that technology and infrastructure. The United States can help arrange finance solutions for weaker Middle East economies to access new power generation and clean energy technology.

Several additional factors weigh on Washington's considerations of its regional relations:

- The Gulf Arab states will continue to be essential exporters of oil and gas to the world. Despite misplaced assertions that U.S. "energy independence" immunizes it from broader developments in the energy sector, the Russian-Ukrainian conflict has once again demonstrated that oil and gas are global commodities and that U.S. economic security will continue to depend not only on our own resources but on stability in the broader energy sector.

- As influence has declined among traditional Arab power centers in Cairo, Damascus, and Baghdad, the Gulf Arab states, especially Saudi Arabia and the UAE, have used their petro-wealth and authoritarian capitalist model to project themselves as the new regional leadership in the Middle East, and to developing nations around the world. Coupled with the decline of Washington's influence and the willingness of Gulf leaders to pursue independent calculations of their interests, this has resulted in a growing disparity between U.S. and regional policies on critical issues from Yemen to Ethiopia to Syria and Libya.

- As 10% of global trade passes through the Red Sea, Bab el-Mandeb, and the Suez Canal, the Gulf Arab states, especially Saudi Arabia and the UAE, play a central role in joining international efforts to guarantee freedom of navigation in adjacent waterways.

Conclusion

Recalibrating U.S. relations with the Gulf will require adapting new strategies in an era of broadened international competition. The decline in U.S. influence and regional reliance on U.S. security guarantees is attributable to many factors and is likely irreversible. Similarly, the Gulf states will resist efforts to "politicize" their core economic interests in the energy sector and have made clear that their perspective on the current Ukraine crisis differs from that of the U.S. and the West.

Photo above: Russian Foreign Minister Sergey Lavrov and UAE Foreign Minister Sheikh Abdullah bin Zayed hold a joint press conference following their talks in Moscow on March 17, 2022. Photo by EVGENIA NOVOZHENINA/POOL/AFP via Getty Images.

But U.S. policy decisions that have been perceived in the region as discounting their importance or their fundamental national interests have exacerbated friction in its regional relations. The following memos lay out recommendations for reframing U.S.-GCC relations in diplomatic engagement, defense and security, and economy and energy.

ENGAGING THE GULF ARAB STATES, ADDRESSING POLITICAL CHALLENGES

GERALD M. FEIERSTEIN

Strong U.S. relations with the GCC states have been built over the years on a foundation of ambivalence and unrealistic expectations on both sides. The fundamental differences in perspective on key issues, as noted in the overview, have been compounded over the years by a failure to engage in an open discussion of these differing perspectives, preferring to refer to them only as a side note to more focused discussion of core political, economic, and security issues. In recent years, these differing areas of interest have expanded. Responses to the Arab Spring and the rise of democratic movements in the region have sharpened disagreements over the challenge to traditional governance in the Gulf versus the rise of authoritarian regimes. U.S. efforts to rein in Iran's nuclear program have deepened Gulf suspicions of U.S. intentions toward Iran and the potential that it will abandon its effort to address Iran's other malign projects in the region or even pursue a revitalized relationship with Iran at the expense of its traditional partners.

As a result, although the two sides have been able to sustain close, collaborative relations in a number of areas of shared interest, the overall relationship has been vulnerable to upset when the tangential issues moved to the center of the agenda. Differences over the Bahraini government response to popular protests in the Arab Spring period severely strained bilateral relations. Such was the case, as well, with the murder of Jamal Khashoggi in late 2018. The pledges by then-candidate Joe Biden to bring the Khashoggi killing to the center of the U.S.-Saudi relationship has hamstrung the ability of the Biden administration to move beyond that focus to achieve a satisfactory outcome to negotiations with the Saudis on matters of immediate consequence to U.S. national security and global economic stability.

Despite those periodic upsets, for much of the post-World War II era, the lack of depth in U.S. relations with the Gulf Arab states was manageable as the overwhelming demands of Cold War politics and the inherent anti-Communist perspective of the Gulf Arab states, were sufficient to ensure preservation of the relationship and to block Russian or Chinese inroads. The Cold War and anti-Communism have largely faded from view. Nevertheless, U.S. domination as the region's "indispensable" partner was sufficient to paper over the changing regional dynamics. Traditional regional leaders were most comfortable in following the U.S. lead on political, economic, and security issues while U.S. leaders assumed that the basic dynamics of the relations were reinforcing and immutable. Even in instances where the Gulf leaders disagreed with U.S. decisions, e.g., the invasion of Iraq in 2003 to overthrow Saddam Hussein, their opposition was expressed quietly and did not undercut U.S. confidence in the solidity of Gulf support.

The past several months have demonstrated that those assumptions are no longer valid. In fact, regional partners have pivoted to multipolar relations where the U.S. is only one of the essential international partners and that emphasizes balance in managing great power competition. Moreover, a new generation of leaders in the region is far more willing than their predecessors to assert their own perspectives on issues related to their country's national security and foreign policy interests.

Saudi and Emirati responses to threats to energy security as well as to Russian aggression in Ukraine clearly demonstrate the degree to which U.S. policy-makers have failed to understand or appreciate the extent of changing regional dynamics. That change demands a new U.S. diplomatic strategy to ensure that U.S. national security and foreign policy requirements are achievable. Revitalized diplomacy should be built on honest and open dialogue over differing perspectives on issues long ignored. Redlines should be made clear. Respect for regional leaders as co-equal partners in determining policy preferences is essential. Although concepts of a "regional NATO" are at best distant dreams, the U.S. should move pro-

actively to promote greater regional cooperation and avoid the kind of intra-GCC conflict that undermined regional cohesion and complicated U.S. interests in the 2017-20 period.

To begin, the U.S. should take several steps that would enhance the value of dialogue including restoring several areas of engagement that have unfortunately been abandoned in recent years:

- Nominate and confirm as an urgent priority ambassadors to each of the GCC member states.

- Emphasize repairing the damaged U.S.-Saudi relationship. Concerns over the direction of Saudi domestic policies, particularly its negative record on respect for basic human rights and civil liberties, exemplified by the murder of Jamal Khashoggi, are legitimate. But they cannot outweigh the critical role that the Saudis play as a partner in core U.S. goals and objectives. As noted, beyond its own importance in promoting energy stability and regional security, Saudi Arabia is an increasingly dominant voice in broader Arab and Islamic councils. The arms-length relationship that the Biden administration has maintained with Riyadh is damaging to U.S. interests and needs to be reversed.

- Prioritize restoring regular senior-level engagement with the six regional leaders aimed at developing common strategies for addressing regional and global challenges. In the past, the U.S. organized summit meetings with all of the Gulf leaders twice a year, including one meeting on the margins of the U.N. General Assembly meeting and a second in the region. This meeting tempo should be reestablished.

- Beyond semi-annual summit meetings, initiate cabinet-level strategic dialogues with the GCC organized around working groups. Emphasize the role of the GCC secretary-general as a key interlocutor representing the views of each of the member states. In addition to defense and security, economy and energy, and regional issues, the strategic dialogues can focus on joint approaches to critical global issues, including climate change, public health and pandemic recovery, food security, and refugees and migration.

- Of immediate concern, seek to forge an agreement with the GCC states on policies to be pursued related to Iran, Yemen, Lebanon, and Syria. The U.S. should develop with the GCC states a roadmap for resolving outstanding concerns over Iranian malign activities, including ballistic missile programs, interference in the internal affairs of its neighbors, and support for terrorism.

Enhancing the scope and frequency of diplomatic engagement cannot, in itself, reverse the deterioration in U.S. relations with its Gulf partners. But diplomatic engagement is the foundation on which successful cooperation in defense and security and economic cooperation is built. Without more successful diplomacy, U.S. policy-makers will continue to suffer the kinds of political shocks that have upended regional relations in recent weeks.

INTEGRATED DETERRENCE WITH THE GULF

BILAL Y. SAAB

It's hard to identify a moment in the U.S.-Gulf partnership, now in its 77th year, where tensions were this high, and that even includes the period immediately following 9/11. Of course, our ties with the six nations of the GCC are not all strained, or equally strained. But our relationship with *all of them* has changed irrevocably. It's important to pause and try to understand the real reasons for this chasm because its effects run deeper than the current crisis.

Much of the distancing between the United States and the Gulf Arabs is the outcome of natural causes. But no small part of it also is the result of mutual misunderstanding and mistrust that seem to have grown over the years. The United States today views the pacing challenge of China as its top geopolitical priority. Spectacular terrorism emanating from the Middle East is still a concern, but it no longer takes center stage in U.S. security policy. The U.S. military withdrawal from Afghanistan after a 20-year presence is viewed by many regional partners as the most visible manifestation of Washington's desire to divest not just from the Gulf but from the entire region. On top of this organic or inevitable divergence is a manufactured disconnect that has contributed to the fraying of U.S.-Gulf relations. Let me offer a few notable examples:

- The Bush administration believed that by ridding the region of Saddam Hussein it could bring democracy to Iraq and spread freedom in the Middle East. The Gulf Arabs saw America's 2003 war as a gift to Iran for eliminating its historical Iraqi rival.

- The Obama administration judged its policy vis-à-vis the 2011 Arab Spring, and particularly the Egyptian and Bahraini popular uprisings, as moral and nuanced. The Gulf Arabs saw it as a deliberate attempt to abandon traditional partners and align with political Islamists.

- The Obama administration thought its 2015 nuclear accord with Tehran was invaluable to the cause of global nonproliferation. The Biden administration feels the same way at present about its own nuclear diplomacy with the Iranians. The Gulf Arabs see both processes as vastly problematic for legitimizing and enriching the radical Iranian regime and ignoring or forgiving its other dangerous regional transgressions.

- The Biden administration deemed that its decision on Feb. 12, 2021, to reverse the designation of Yemen's Houthis as a foreign terrorist organization was necessary to support international humanitarian assistance in Yemen. The Gulf Arabs saw it as supportive of Iran's expansionist and military designs in Yemen and turning a blind eye to the Houthis' repeated attacks on civilian targets in Saudi Arabia, and more recently the UAE.

- The Biden administration assessed its response to recent Houthi missile/drone attacks against Saudi Arabia and the UAE (characterized by senior-level visits by U.S. officials to both countries, the activation of U.S. missile defenses to counter Houthi attacks, and the deployment of additional U.S. military equipment to the region) was adequate. Riyadh and Abu Dhabi saw it as slow, insufficient, and ineffective.

No matter how hard U.S. officials try to dispel the allegations that Washington is appeasing Iran, Gulf Arab suspicions of U.S. intentions remain high, which is why countries such as Saudi Arabia and the UAE have been hedging their bets and pursuing closer political, economic, and military ties with China and Russia.

For reasons laid out by my coauthors and me in this paper's joint introduction, the United States cannot afford to downgrade relations with its Gulf Arab friends. These countries' full cooperation on energy and geopolitics is vital to U.S. national interests. But securing this cooperation largely depends on our ability to show them that we are serious about defending them against Iranian aggression. This is what they care about the most, and this is what they want from us the most. If we make a concerted effort to seriously address this top priority for them, we can bring them back to the fold.

That said, we need to be crystal clear about a) what we are able and unable to do to upgrade security ties; and b) what we believe, based on decades of experience with other international allies and partners, is the most cost-effective way to achieve this previous objective. It's time to set clear expectations and unambiguously identify a better way forward for both sides.

The Gulf Arabs have their own ideas on how trust could be re-established and how the United States could provide more credible security reassurance. None of these ideas is unusual or surprising. For example, they want us to maintain a robust and visible military presence on their soil. They want better and real-time intelligence sharing on various threats. They want to be able to acquire more powerful arms from us more quickly. They want us to fly our bombers and sail our combat ships more frequently. And they want more joint military exercises with our armed forces.

But in addition to these enhanced tactical and operational forms of security cooperation, some in the Gulf want a demonstrable security guarantee from us — in other words, a formal and perhaps legal obligation to defend them in the event of an Iranian attack against them. Whereas the 1980 Carter Doctrine called for the American use of military force against any country that attempted to gain control of the Gulf, it was neither legally binding nor tied to the defense of any specific country in the region.

Let me address these two sets of Gulf Arab security requests or preferences — strengthened tactical/operational forms of security cooperation on the one hand, and a strategic defense pact on the other — and explain the opportunities, challenges, and requirements of each.

With regard to the first category, we can and should create a more credible U.S. deterrent against Iran in the Gulf. This includes identifying and communicating red lines to the Iranian leadership in the region, and making adjustments to our current posture to make it more flexible, responsive, and resilient. It is simply in our interest to pursue some of the military activities the Gulf Arabs are calling for.

However, there are and will always be limits to this unilateral U.S. approach and to this transactional form of security cooperation with our Gulf Arab friends. Not only do we have to recognize those limitations but we also have to discuss them, privately though clearly, with our regional partners. We have an obligation, both moral and strategic, to help our Gulf Arab partners develop *effective* military capability. To successfully reduce our military involvement in the region as the previous and upcoming national defense strategies have suggested, we need our Gulf Arab partners to step up, but they can't do that fully without our help. And our help shouldn't come in the form of more trucks, more jets, and more guns. We need to assist them in creating the defense institutional capacities that are required for generating *real* combat power.

We're starting to do some of that with the Bahrainis, the Saudis, the Qataris, and lately the Kuwaitis, but it's nowhere near enough (we're ahead with the Saudis compared to everyone else in the Gulf but even those efforts are modest). Also, our assistance is neither systematized nor fully supported by senior leadership in the Pentagon. Effective joint security with our Gulf Arab partners (or any other set of partners around the world) requires that we train them on not only how to shoot — which they're getting better at, especially the Emiratis — but how to strategize, plan, integrate, manage, and sustain — which they're very bad at. When they begin to learn how to perform these tasks, they will be better able to develop unified defense plans and joint warfighting concepts with us. This would benefit the U.S. military tremendously by creating a "north star" for both daily operational planning with U.S. Central Command (CENTCOM) and future capability-based resource planning with the Department of Defense.

None of this is easy, of course. Even Russia, supposedly the second-most powerful military in the world, is struggling with all these non-kinetic functions in its war against a much weaker Ukraine. But the immense challenge with our Gulf Arab partners is that their processes of defense management or defense governance hardly exist and most have to be built from scratch.

With regard to the second category, a solely top-down approach to a more strategic U.S. defense arrangement with any Gulf Arab country is neither practically effective nor politically feasible. Imagine a couple who have been fighting for years, and instead of truly figuring out what has ailed their relationship, one of the two proposes marriage as a way to fix

Photo above: A member of the U.S. military looks on near a Patriot missile battery at the Prince Sultan Air Base in al-Kharj, Saudi Arabia on Feb. 20, 2020. Photo by ANDREW CABALLERO-REYNOLDS/POOL/AFP via Getty Images.

their problems. It's most likely not going to work. President Biden, or his successors, can issue an official declaration suggesting a more formal defense commitment to any Gulf Arab country, but absent bipartisan congressional consensus and endorsement as well as a solid and comprehensive framework for security cooperation to *activate* this commitment, his words will fail to make a practical difference and genuinely elevate the defense relationship.

Consider the examples of Kuwait, Bahrain, and lately Qatar, all of which are major non-NATO allies (MNNAs). They enjoy certain privileges that other partners don't, including faster weapons acquisition from the United States. MNNA status itself symbolizes the evolution of the security partnership with the United States. It also conveys greater responsibility on the part of the recipient of this new title.

Yet in the case of Kuwait, Bahrain, and Qatar, this enhanced status has brought *political* advantages to them more than anything else. They haven't been able to meet many of their new security responsibilities or fully leverage the MNNA opportunities because a) they still don't have the necessary capabilities to achieve these objectives and b) the very infrastructure of security cooperation with the United States, which technically was supposed to transform, has in reality only modestly changed. Conferring MNNA status on these countries was like putting the cart before the horse, at least from a security/military perspective (though some, like the Bahrainis, deserve it more than others given their tangible and longstanding contributions to U.S. and collective security interests in the region). The same logic applies to any U.S.-Gulf defense pact.

The central difference between our treaty allies, both Asian and European, and our international partners, Gulf Arab or otherwise, is that we have been able to collectively achieve higher levels and closer forms of security cooperation with the former because we built everything with them from the bottom up and from top to bottom. We regularized and institutionalized the cooperation over many years, thus enabling it to ultimately become a full-fledged alliance. The defense pacts we enjoy with NATO members and other treaty allies such as South Korea, Australia, the Philippines, and Japan are a *natural byproduct* of enduring strategic convergence and collective action.

The tragic part is that the United States has had close and almost exclusive ties with its Gulf Arab friends for almost eight decades, yet both sides have never been able to truly elevate their military and security cooperation. One could point to the lack of shared democratic values — a foundational element of NATO, for example — as a reason for this outcome. That would be true. But I also think it's not the *only or most important* reason why considerable gaps in security relations have persisted this long. There is plenty of room for enhanced security cooperation with the Gulf Arabs that doesn't require shared values.

In my view, what's needed more than anything else in U.S.-Gulf security ties is a coherent structure — i.e., norms, mechanisms, and procedures — for strategic consultation and coordination. Such a structure should be viewed as the building block of what U.S. Defense Secretary Lloyd Austin calls "integrated deterrence" — a promising new concept by the Pentagon that suggests a transition from a U.S. strategy of primacy in the region to one based on *real partnership*, and where possible, integration.

This course correction in U.S.-Gulf security relations, now necessary, cannot be Washington's responsibility alone. It is a collective responsibility. Indeed, both sides must commit to building more effective vehicles for strategic interaction. Personal ties between American presidents and Gulf Arab monarchs, while immensely valuable, cannot substitute for institutions. Institutions provide a platform where officials can regularly interact, and through a process of continuous socialization, shape each other's views and preferences in ways that could strengthen the sense of common purpose and prevent problems from emerging in the first place.

That's exactly what NATO has — norms, arrangements, and committees that enable a habit for consultation to reach as wide an area of agreement as possible in the formulation of policies. The U.S.-Gulf partnership will never achieve a NATO-like status, but it doesn't have to. All it needs is a realistic upgrade.

Of course, it's not as if the Gulf Arab states have no joint committees whatsoever with the United States to consult on policy issues. They have strategic dialogues, joint military commissions, and other forums, but they are less than useful. They do not get into much necessary policy detail, or have sub-committees that allow its working-level members, at least on the Gulf Arab side, to do just that. There's a problem of human capacity in the Gulf, to be sure, but the bigger problem is that of empowerment. Even if these countries produce more diplomats, military officers, and security specialists, if they're not empowered to operate with a higher degree of authority and flexibility and form institutional bonds with their American counterparts, it won't work.

I recognize that putting U.S.-Gulf security ties on a more solid footing once and for all and assisting our Gulf Arab partners in developing military capability *the right way* requires a ton of work, a lot of patience, and a long period of time. Institution building between the two sides and defense reform on the part of the Gulf Arabs are *generational* processes. That, of course, is *not* what the Gulf Arab partners want to hear right now, especially when some of them are being attacked on a regular basis by Iran and its proxies. We also can't afford to wait this long to repair the damage in the relationship because some of these countries' choices and actions are already hurting U.S. strategic interests.

There is much that can be done at present and ideally in parallel to these *indispensable long-term processes* to address some of the more immediate security concerns of the Gulf Arabs. I propose the establishment of a new *Strategic Defense Framework* with the Gulf Arab states, or at least those who are in favor of one. It's not a formal alliance. Rather, it's a roadmap, similar to the one that exists between the United States and Ukraine, to upgrade the security partnership in ways that reaffirm key principles and set clear and achievable goals for the bilateral or multilateral defense relationship.

Under this new security construct, the following measures, mostly defensive in nature and centered on the threat of Iranian and Houthi missile/drone strikes, could be entertained:

1. **Joint contingency planning with more willing and capable Gulf Arab partners on Iran.** This didn't happen in the past for a couple of legitimate reasons. First, the Gulf Arabs had little to contribute in terms of military capability. Second, the Gulf Arabs have always been divided on the issue of Iran and in 2017-21 the Saudis, the Emiratis, and the Bahrainis cut ties with Doha in part because they accused it of cozying up to Tehran. But the feud has now subsided, and CENTCOM has an opportunity to involve Gulf Arab partners, along with Israel, in at least some of its strategic planning processes to incorporate and leverage their more powerful weapons.

2. **A fusion cell on the Houthi missile and unmanned aerial systems threat with Gulf Arab partners that are facing Iranian aggression to provide them with intelligence of activities that signal future attacks, in addition to real-time warning on the launch of those attacks.** Such an information-sharing mechanism could include two or three Predator tails and other national intelligence assets that would provide persistent, high-quality intelligence and warning of planned or impending attacks on U.S. personnel and bases or on those of Gulf Arab partners.

3. **Integrated air and missile defense (IAMD) architecture in the Gulf.** This has been a goal of the United States since at least 2008, but now it's an urgent priority because U.S. military bases and embassies in the region are also being attacked with deadly Iranian projectiles. To ensure compatibility between U.S. and Gulf Arab missile defense systems (i.e., all being of the same kind — Patriot and Terminal High Altitude Area Defense (THAAD) — and working on the same mode of Identification Friend or Foe and with the same Link-16 communications system), the Foreign Military Sales (FMS) process of the State Department would have to be aligned with this new-old strategic priority.

With the effective supervision of civilian leadership in the Pentagon, the Defense Security Cooperation Agency (DSCA), which manages the FMS program for the Department of Defense, would have to be laser-focused on this missile defense mission and eschew its old habits of selling arms to the Gulf for the sake of selling. In addition, DSCA would have to shed another pathology, which is looking at FMS cases by country as opposed to by region. Any effort to build regional IAMD must be underpinned by a security cooperation enterprise focused on coaching and mentoring partners through the FMS case management process to invest in vital contributions to a regional architecture.

For their part, the Gulf Arab countries must come together on this issue. Without their cooperation, a shared early warning system (SEWS) across the region cannot be installed. Such a system is the most critical element of IAMD — the first layer of defense. It provides fast and uninterrupted reporting on the location and trajectory of ballistic missile launches so countermeasures can be prepared and civilian populations can be warned and protected. The SEWS is administered and deployed by the U.S. Air Force in many partner nations around the world to cue missile defenses. In this case, the United States will serve as a hub providing data through its satellites to all the SEWS terminals with its Gulf partners. It would be much less helpful for each Gulf Arab nation to have its own bilateral threat warning arrangement with the United States, but that is historically what they have asked for. The Gulf Arab partners don't trust one another enough to share data.

There are two reasons why an integrated network across the Gulf region is a must. First, geographic distances are too short in that part of the world. Second, as a result of these distances, response times to potential missile launches are too tight. All partners must participate in the same air defense network, which includes SEWS, a suite of radars both short and long range, and civil aviation air control systems.

These Gulf Arab countries' air and missile defense staffs would participate in a coalition, hub-and-spoke system that includes command-and-control representation. This allows the United States and its Gulf Arab partners to be on the same "frequency" in order to effectively deter or defend against the threat.

To illustrate with a real-life example: The SEWS in Qatar picks up a missile launch from Iran, then immediately national air defense command posts in the UAE (or in Saudi Arabia or in Bahrain) will register it because they're all on the same network. This allows the UAE to immediately activate its Patriot

“Both sides have a tremendous opportunity to overhaul how they deal with each other in the defense/security realm and to propel their relationship into the 21st century.”

or THAAD batteries based on information picked up by the hub in Qatar. It all depends on the location of the sensors, and the trick is to tie the sensors together in a common regional framework across the Arabian Peninsula.

A common missile defense architecture of satellite and radar data would require willing Gulf Arab nations — no fewer than three or four of them, including the Saudis, the Emiratis, the Qataris, and the Bahrainis, and ideally the Israelis now that they are officially part of CENTCOM — to sign a binding agreement with the United States that creates a regional IAMD command-and-control network. The structure of such a relationship would be based on similar arrangements that exist within NATO and the coalition defense architecture for the Korean Peninsula.

We all know the tired cliché that with every crisis there is an opportunity, but it couldn’t be truer in the case of the United States and its Gulf Arab partners. Both sides have a tremendous opportunity to overhaul how they deal with each other in the defense/security realm and to propel their relationship into the 21st century. Both sides will naturally be tempted to take shortcuts because they recognize that reconstructing this decades-long relationship will be extremely hard both practically and politically. But more weapons, more money, and more meaningless summits will not resolve what are fundamental problems in the partnership. This is going to require a new playbook. But most of all, this is going to require brave, honest, and visionary leadership on both sides.

ECONOMIC AND ENERGY COOPERATION FOR THE UNITED STATES AND THE GULF ARAB STATES

KAREN E. YOUNG

If there are any early lessons learned for the U.S.-GCC relationship in the Russian war against Ukraine, one is clearly the power of global financial isolation. Russia may soon find itself outside of normal balance of payments operations as its reserves held abroad are blocked, its oil exports unwelcome by most buyers, and its banking sector excluded from normal transactions. Moreover, thousands of international firms are exiting Russia, from the oil and gas sector to technology, consumer products, and professional services; they are unlikely to return quickly even if the Russian invasion of Ukraine halts and sanctions are rolled back.

For the Gulf Arab states, their phenomenal growth story of the last 20 years has been a product of a period of high oil prices between 2003 and 2014 (with a blip during the global financial crisis of 2008-09) and then a period of fiscal reform and extraordinary issuance of sovereign debt between 2015 and 2022. The last two decades are a story of the benefits of financial inclusion, of access to capital markets, and the ability to project power abroad through assets — everything from real estate to equities in the firms that make our global economy function. The Gulf Arab states and their sizable sovereign wealth funds (SWFs) have been active holders of American debt in U.S. treasuries, as well as investors in the kinds of industries they hope to grow at home. That investment in innovation, technology, and consumer brands has allowed the Gulf to import human capital, to expand the quality of life of their citizens, and to make their cities hubs of global capitalism and connectivity. Because these states have currencies linked to the U.S. dollar and export products priced in dollars, any disruption to their access to markets would be catastrophic.

At a moment of crisis in which Russia has gambled it all to stake a claim for authoritarianism in its near abroad, why would some Gulf Arab states see value in maintaining good relations with Russia? One reason is to maintain cooperation in oil production through the OPEC+ agreement, in place since late 2016. Another is an affinity between leadership that justifies a commitment to defense, not only of the state, but of the ruler directly. Third, there seems to be some assessment within the Gulf that the global economy itself is changing, and that if a bifurcation of the liberal economic order is to come, there will be some advantage to leaning toward an alternative model, one that is led by its important export markets to the East in China, and one that embraces a state-led economy and an authoritarian political system. It is a regime survival impulse, but it will ultimately only deteriorate the economic and social gains the Gulf Arab states have achieved.

The problem for the Gulf Arab states is that their own economic model has thrived because of capital mobility and a wave of high export revenue that could be invested and deployed abroad with ease and fungibility. To seek to undermine the system that facilitated that growth will only spell decline.

For example, for Saudi Arabia consideration of a move to price its oil exports in Chinese yuan rather than U.S. dollars would be self-defeating. This is clearly not a settled issue or a comprehensive policy initiative from Saudi Arabia, but perhaps rather a trial balloon or signaling in a moment of unsettled relations. Since 2017, the Saudi government has considered using some oil contracts in yuan, but there is no reorientation of Saudi monetary policy. It would be reckless, given global oil pricing in dollars and the currency peg, not to mention the amount of Saudi debt priced in dollars, its reserve assets in dollars, and their holdings of U.S. equities and real estate through its SWF, the Public Investment Fund. In general, the workarounds that we see from India, China, and Russia on oil sales and purchases in non-U.S. dollar currencies are a signal that they are less able to compete in a global market and more willing to negotiate in weaker currencies, and ostensibly in weaker transparency in their trade relations. Saudi Arabia and

Photo above: An employee stands near pipes used for landing and unloading crude and refined oil at the North Pier Terminal, operated by Saudi Aramco, in Ras Tanura, Saudi Arabia, on Oct. 1, 2018. Photo by Simon Dawson/Bloomberg via Getty Images.

the UAE have also made efforts to accommodate customers. But these oil giants are also creating platforms to trade oil and to better control the export and use of their products from crude to refined and petrochemical products. There is a consideration to minimize risk and to exert control over the ecosystem of their main revenue source. The trouble is that a liberal economic order has had benefits for all, democracies and autocracies alike. But its defenders are few.

To find our common interests, the Gulf Arab states and the United States can focus on what has benefitted us both, and what has accelerated the innovation and human capital in the Gulf that is transforming their own societies, by their own design. The Gulf Arab states have a stake in defending the liberal economic order, in capital mobility, transparency, and international law. In simple terms, when this oil boom is finished, there will be another time when the Gulf Arab states need to access debt capital markets, and when they need to catalyze investment to solve regional development and the climate's pressing needs. China and Russia have never been significant sources of capital or direct investment in the Gulf. Chinese and Russian interest in energy cooperation and trade will wane as the energy transition intensifies. And the bifurcated global economy they seek to build will be as inefficient and lethargic as the ones that have failed them in the past.

In energy markets, traditionally Saudi Arabia has rarely politicized its spare oil production capacity. The United States must also resist politicization of its new capability. As a country, the U.S. has enormous natural resources, but Americans are divided on how to use them and how to encourage or penalize

an oil and gas industry that needs steady, not polemic, regulation. There will be a role for oil, and especially for natural gas, for some years to come. For Qatar, this moment of crisis with Russia has created ample room for diplomatic maneuver and favorable relations with the United States. Qatar is no longer a member of OPEC and its focus on a natural gas strategy (over oil) puts it in a more favorable position vis-a-vis the energy transition; it is also better positioned as a non-NATO U.S. ally and as a "solution finder" to Europe's energy crunch, as a potential source to replace some Russian gas supply. Artificial supply crunches will only destroy demand and weaken our global economy with the threat of inflation and then recession. Our shared goal with major Gulf oil producers, Saudi Arabia and the UAE, should be to encourage investment in new technology that makes oil production cleaner, and to use the proceeds of carbon-intensive industry to build renewable energy capacity in our own economies and in weaker ones across the Middle East and emerging markets.

The future of Gulf prosperity will be in continuing a trajectory of economic integration and liberalization of its labor markets, ownership structures, and competition. This is a shared interest of the United States; the same cannot be said for Russia or China. The United States should welcome strategic competition, and shine a light on the failures of states that muzzle their own people, their ingenuity, and capacity for change.

A new U.S.-Gulf strategic partnership would consider the following:

- Saudi Arabia and the UAE will be key to increasing oil production capacity to meet present and near-term demand. Within the energy transition to decarbonize our economies, there will still be a need for petrochemical products and for oil production. We can work together to make that production cleaner, more cost-efficient, and reliable. Technology cooperation in carbon capture and storage should be a key U.S. policy priority and incentive for engagement in the Gulf.

- The U.S. and the Gulf states should work to create an international forum or dialogue among major energy producers outside of the OPEC framework. In the natural gas market, the U.S. and the Gulf states are likely to become competitors in supply to Europe. Hydrogen production, both from natural gas as blue hydrogen and green hydrogen created from solar power, will be a major source of future energy supply. The U.S. and the Gulf states will be sites of this innovation and market competition. The U.S. and Gulf states should support international fora, including the International Energy Agency, but more frequent convenings as avenues of communication and information-sharing to ensure stable global energy supply.

- The United States has a core interest in stability in global trade routes, including those that surround the Arabian Peninsula, from the Suez Canal to Bab el-Mandeb throughout the Indian Ocean and Sea of Oman, up the Strait of Hormuz. Security cooperation and training, along with demining and patrolling, should combine with policy efforts to enforce environmental safety of international waters, including concerns for possible pollution from nuclear power plants and industrial waste.

- There is an increasing global demand for climate finance, new green investments, and the creation of circular economies of scale. The Gulf and the wider Middle East will be hard hit by climate change. The Gulf states' ability to lead solutions will enable their own survival and ability to thrive in the challenges ahead. U.S. policy coordination through blended finance of international financial institutions, U.S. government development finance arms, and Gulf state development funds might seek to provide financing for projects like renewable power plants, as well as adaptive infrastructure in transport, including electric fleets and buses in public transport, across the Middle East.

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