INSECURE GULF
After decades of sitting on the sidelines of the international system, the energy-exporting traditional monarchies of the Arab Gulf (Saudi Arabia, the United Arab Emirates, Kuwait, Bahrain, Qatar and Oman) are gradually transforming themselves into regional, and potentially global, economic powerhouses. This series aims to examine this trend while also bringing a consistent focus to the much wider range of other social, political, and economic issues currently facing Arab Gulf societies. Quality research monographs, country case studies, and comprehensive edited volumes have been carefully selected by the series editors in an effort to assemble the most rigorous collection of work on the region.
KRISTIAN COATES ULRICHSEN

Insecure Gulf

The End of Certainty and the Transition to the Post-Oil Era

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ABBREVIATIONS

AHDR  Arab Human Development Report
AQAP  Al-Qaeda in the Arabian Peninsula
ASEAN Association of Southeast Asian Nations
CDM  Clean Development Mechanism
CENTCOM  (United States) Central Command
FATF  Financial Action Task Force
FTA  Free Trade Agreement
GCC  Gulf Cooperation Council
GTL  Gas-to-Liquids
IAEA  International Atomic Energy Agency
ICI  Istanbul Cooperation Initiative
ICT  Information and Communications Technologies
IRENA  International Renewable Energy Agency
ILO  International Labour Organisation
KAUST  King Abdullah University of Science and Technology
LNG  Liquefied Natural Gas
MENA  Middle East North Africa
MIST  Masdar Institute of Science and Technology
NATO  North Atlantic Treaty Organisation
NDAS  National Democratic Action Society (Bahrain)
OPEC  Organisation of the Petroleum Exporting Countries
PDRY  People's Democratic Republic of Yemen
PFLOAG  People's Front for the Liberation of Oman and the Arabian Gulf
PLAN  People's Liberation Army Navy
SABIC  Saudi Basic Industries Corporation
SAMA  Saudi Arabian Monetary Agency
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>TIMSS</td>
<td>Trends in International Mathematics and Science Study</td>
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<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<td>WTO</td>
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INTRODUCTION

Profound changes are underway in the member-states of the Gulf Cooperation Council (GCC).¹ In all six—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates—the coming years and decades will bring about a gradual end to the oil era. The uneven dwindling of natural resources in the medium- and longer-term will require a fundamental recasting of state-society relations and a reformulation of the pillars of ruling legitimacy in these redistributive oil monarchies. This is already underway in neighbouring Yemen, where the drawdown of natural resources includes water in addition to oil, and has become entangled with issues of political legitimacy and regime authority, as well as the political economy of equitable resource distribution. Thus, the transition toward a post-oil era will differ substantively from the earlier period of transformational social and economic upheavals that accompanied the entry into the oil era in the 1960s and 1970s. The primary differing variable in the shift to a post-oil future is that socio-economic and demographic constraints will limit regimes’ capacity to co-opt political support and essentially buy off oppositional movements and groups.

These changes are occurring against the backdrop of the Gulf States’ accelerating enmeshment in the processes of globalisation and its cross-border flows of peoples, ideas and norms, and licit and illicit trade. By ‘Gulf States,’ this book means the six GCC member-states in addition to Iraq, Iran and Yemen, as they constitute the dominant regional security complex and the referent point for regional hegemonic ambitions on both sides of the waterway known alternatively as the ‘Persian’ or ‘Arabian’ Gulf (and neutrally as ‘the Gulf’ in this book). These globalising patterns add a potentially destabilising dimension to the inter-
dependencies that have long bound the Gulf States to the international community. Increasingly these new linkages bypass state structures and constitute both an ideational and material threat to their polities. They thus differ sharply from earlier mutual dependencies centred on the export of hydrocarbons that created the distinctive nature of the oil redistributive ‘rentier’ states and also bound the region to the wider world.2

New and emerging challenges posed by non-state flows also represent a feature of the progressive internationalisation of the Gulf. This is altering the international politics and international relations of the GCC in subtle yet important ways, as the Gulf States emerge as pivotal actors in the global rebalancing between west and east. The interlinking of these processes of internationalisation and globalisation provide the parameters for the Gulf States’ engagement in a globalising community in which the loci of power are more diffused than ever before. They also introduce significant new dynamics into national and regional security calculations, as comparative political science demonstrates that states in transition are more vulnerable to predatory political violence and challenges to regime legitimacy. The regionalisation and internationalisation of Yemeni-based instability makes clear the interconnected nature of sources of insecurity and the difficulty, if not impossibility, of containing them within national boundaries. For this reason, Yemen is presented as a case-study in the tangled transition as it currently faces the challenges of managing resource depletion and reformulating rent-based networks of patronage and subsidy that will also confront the GCC states in the years and decades to come.

Consequently this book builds upon, but also goes beyond, the existing literature that focuses on Gulf security in hard and primarily ‘military’ terms. Existing works by scholars such as Anthony Cordesman provide valuable and otherwise hard-to-find data on the military capabilities and major trajectories of all the participants in the Gulf’s regional security equation. Nevertheless, the possession of standing armies and sophisticated weaponry is in itself insufficient to guarantee security and stability, as evidenced during the Iraqi invasion of Kuwait in 1990 and the other GCC states’ inability to translate their high levels of military expenditure into an effective response to this act of aggression. Nor does the heavy spending on arms and armaments provide the Gulf States with a solution to the challenges—growing steadily more urgent—of economic diversification that will determine the
success or otherwise of the transition toward post-oil frameworks of governance.

Other works have integrated the Gulf region within a broadening theoretical approach to security. Expanding upon the structural concept of a ‘regional security complex’ developed by Barry Buzan and Ole Waever, recent scholarship by F. Gregory Gause and Henner Furtig have addressed the salient characteristics of the Gulf as a tri-polar regional system based around Iran, Iraq and Saudi Arabia. Both focused upon the regional unit and examined the changing distribution of power within it, and with the United States as a highly-involved external player that determined the outcome of the 1991 Gulf war and reshaped the regional distribution of power by destroying the regime of Saddam Hussein in 2003. Meanwhile, Gerd Nonneman deepened and broadened the concept of security by focusing on the changing ‘resources-demands balance’ as falling per capita oil rents complicated Gulf States’ mechanisms for co-opting support through the spread of wealth and introduced new threats and pressures for change on both the domestic and external levels, which he argued were inextricably linked. He subsequently developed the concept of ‘omni-balancing’ to describe the patterns of Saudi Arabian (and the other GCC monar chies’) balancing between threats and resources within and between the domestic, regional and global levels. In his work on the United Arab Emirates, Christopher Davidson also emphasises the centrality of what he labels the ‘ruling bargain’ in reinforcing and updating legitimacy resources that underpinned the socio-economic transformation of traditional polities.

This present book builds on, and extends, the broadening of security described above. Significantly, it updates Nonneman’s investigation of the resources-demands balance, which was written in 2000, toward the end of a prolonged period of low oil prices, and before the advent of the second oil boom (2002–8). It also differs from Gause and Furtig by inserting Yemen firmly into the regional security equation, and describing how the flows of instability between Yemen and Somalia are tying together one regional security complex (the Gulf) with another (the Horn of Africa). This has profound implications for the states of the Arabian Peninsula, caught ‘in the middle,’ as it were, of these two major sources of regional instability. Its central focus is how the intertwining of the internal and external dimensions of security are altering local and regional security agendas in an era of accelerating
global interconnectivity. With the concept of what security ‘is’ and ‘does’ in a state of flux globally, a central objective of this book is to interrogate regional perspectives on the notion of security and map the shifting security paradigm in response to the range of new and emerging threats and challenges identified in part two.

An Integrated Approach to Security

This book therefore examines the evolution of ‘Gulf security’ in the oil-rich monarchies of the Arabian Peninsula in response to this range of existing and emergent threats and challenges. It argues that the rise of primarily non-military sources of potential insecurity is profoundly reshaping the security paradigm in the Gulf States in the medium- and longer-term. This is inextricably bound up with the broader impact of globalisation on the political economy of the Gulf States, which itself is undergoing a systemic transformation toward post-oil redistributive forms of governance. Regional concepts of security need to be re-conceptualised as part of a holistic approach that locates the drivers of change within the rapidly-globalising international environment and interlinks them with socio-political and economic dimensions. It must also acknowledge that security is composed both of material and ideational considerations and is as much a social construct as a survival mechanism in a world of threats and balances.

Two major objectives form the analytical core of the book. The first part of the book provides an overview of the development of Gulf security structures and examines the key components of its changing paradigm. Crucially, it distinguishes between the idea of security as a social construct (constructivism) and security as material threat (realism). It thus examines the motivations and objectives that guide states and societies in constructing local and regional security agendas. This approach emphasises the importance of belief-systems in shaping and reshaping perceptions of security and in deciding which issues become securitised and why. It speaks to a broader theoretical literature in international relations that studies the role of norms as social constructs in determining approaches to questions of power and security. Furthermore, it integrates the Gulf into research on security studies in the developing world, in which states and regimes may pose a threat to portions of their own societies, and where the Western ‘idea of security’ as restricted to the external sphere does not necessarily apply.
Delineating the role of local agents is particularly important in deciding which issues come to dominate security agendas in the GCC states. This is because the conduct of foreign and security affairs in these oil monarchies is restricted to a tightly-drawn circle of senior members of the ruling family. In common with many other developing countries’ experience, ‘regime security’ in the Gulf States is frequently conflated with ‘national security’ and this informs regimes’ notions of the hitherto-successful strategies of survival needed to achieve this. Consequently, our understanding of the dynamics of policy formulation is enhanced by taking into consideration the factors that inform regimes’ perceptions of their internal security matrix. Indeed, Gause has demonstrated how trans-national considerations play an integral role in foreign policy decision-making as regional states act against perceived threats to domestic stability that may emanate from external actors.

This, in turn, is important in determining their posture on external issues such as the unfolding post-occupation dynamics in Iraq, the ongoing dispute between Iran and the international community over Teheran’s nuclear policies, and the ideational challenge posed by radicalism and trans-national terrorism. Thus the opening section, consisting of the first three chapters, provides the theoretical underpinning for the book’s second objective, which is to delineate the relationship between ‘traditional’ and ‘new’ challenges to security and how they relate to each other. The Gulf has witnessed three major inter-state wars since 1980 in addition to Islamic revolution in Iran, the rise of trans-national ideational challenges to national and regional legitimacy, and bouts of civil unrest in Saudi Arabia and Bahrain. These territorially-bounded challenges from Iraq and Iran, and issues of nuclear proliferation and trans-national extremism, remain a source of latent and actual instability in the Gulf. Nevertheless a range of new and longer-term challenges to regional security are emerging and have the potential, if left unchecked or inadequately tackled, to strike at the heart of the social contract and redistributive mechanisms that bind state and society in the Arab oil monarchies.

These include issues such as food, water and resource security, demographic pressures stemming from rising populations and the youth bulge, structural economic deficiencies in the GCC states and progressive state failure on its periphery in Yemen, and ecological degradation and the security implications of long-term climate change, all
of which pose new challenges to Gulf security. This deepening and broadening of the concept of security builds upon the cognitive shift in thinking about global security that has occurred in an era of accelerating complexity of global interconnections and trans-national flows of people, capital and ideas. The emergence of these new threats and challenges to national, regional and international security and stability has eroded Cold War-era demarcations between the internal and external spheres of policymaking. Together, they necessitate a more nuanced approach predicated as much on meeting the human security of populations as well as the national security of states, and the book concludes by examining the prospects for any such intellectual and practical reformulation of the notion of security in the region.

Underlying both of these objectives is the argument that difficult challenges lie ahead for the Arab oil monarchies of the Gulf. The regimes must reconfigure the welfare states that were constructed during the 1960s and 1970s during a period of comparatively low populations and high wealth per capita. Demographic pressures and the transition to post-redistributive modes of governance also require them to address the systemic structural problems in their socio-political composition. Simultaneously, the impact of globalisation and the Gulf States’ political and economic opening up creates new material and ideational linkages intertwining still further the internal and external dimensions of (in)security. Consequently, the concept of security, and the issue of which values it embraces, and for whom, will be integral to the evolving political economies of the GCC as the oil monarchies progressively move toward the post-oil era.

Security as a Social Construct

The notion of the pursuance of strategies of survival described above determines how ruling elites come to define and construct particular issues as threats to their security. The analytical peg on which Insecure Gulf rests is a constructivist approach to international relations, namely one that studies the role of beliefs and norms as social constructs shaping approaches to questions of power and security. It emphasises the importance of local agency in exploring the factors that motivate policymakers to reach and implement the decisions they take. Analysing ‘how people act’ addresses one of the central deficiencies of the broader international relations literature, namely a neglect of the
human dimension in contemporary world politics.\textsuperscript{17} Constructivist approaches ascribe value to the location and distribution of nodes of power within society as well as the relationships between knowledge, power and interests. The evolution of a position of ‘national interest’ on any one issue thus represents the outcome of an inter-subjective process that combines ideational and material factors and is fluid, rather than fixed over time.\textsuperscript{18}

Distinguishing between security as discourse and security as material threat also enhances the study of ‘securitisation.’ This refers to the processes by which issues become constructed as threats to security, and by whom and for what reason. If an issue is successfully securitised, and accepted as such by the relevant audience, the principal actor feels empowered to take extraordinary measures to combat it. These exceed the rules-based systems that otherwise regulate the conduct of normal behaviour, and demonstrate the importance of agency in defining and shaping responses to particular issues.\textsuperscript{19} At a macro-level, the global ‘war on terror’ represented a successful example of securitisation. It enabled the United States to bypass international norms and structures after 11 September 2001 to combat the perceived threat from Al-Qaeda-linked terrorism.\textsuperscript{20}

A closer examination of the processes of securitisation in the Gulf ties the region into the broader world-group of developing states, and embeds the study of regional security issues within the realm of comparative politics. This forms part of Keith Krause’s identification of a ‘security problematic’ in contemporary world politics in general, and in the post-Cold War period in particular. This arises out of the fact that perceived threats to security can be ideational as well as material, and tied to the survival not of the state but of a particular referent group. In these instances, the idea of security is critical, and the affiliation of the security of the state with the security of its citizens cannot be automatically assumed to be the case. Traditional conceptions of security in stable, developed nations therefore fail to capture the threat that states or regimes may pose to parts of their own societies. For this reason, it is vital to identify the motivations of the group driving the securitisation of particular issues, as well as the direction in which it is aimed.\textsuperscript{21}

In this taxonomy, the internal and external dimensions of security become intertwined as regimes seek security against possible contestation from within their own societies as much as against external aggression from neighbouring states. The Gulf States’ external security
alignments, both bilaterally with the United States and multilaterally through the creation of the Gulf Cooperation Council, meet this requirement by reinforcing regime security against internal dissent as well as foreign threats. This became evident during the uprising in Bahrain in 1994. The Saudi Arabian Interior Minister, Prince Naif bin Abdulaziz Al-Saud, hastily visited Manama to declare that the security of Bahrain was inseparable from the security of Saudi Arabia. By this, Naif meant the security and ideational solidarity of the ruling Al-Saud and Al-Khalifa families. The unspoken assumption that a ruling family would not be allowed to fall prompted the emergency readiness of Saudi forces to intervene militarily to maintain order in Bahrain if the situation so developed. Other examples of a ‘one-for-all’ attitude binding together regional ruling families can be found in the ritual denunciations of Iran’s ongoing seizure of three islands belonging to the United Arab Emirates, with the Secretary-General of the GCC even drawing parallels with Israeli behaviour in the occupied Arab territories.

Regime preoccupations with survival remained paramount in their construction of security strategies in the turbulent aftermath of 11 September 2001. Gulf States’ responses to the territorially bounded issues of Iraq and Iran and the ideational challenge of trans-national terrorism demonstrated their awareness of the myriad interlocking linkages between the internal and external spheres of security. These connections were magnified by the proliferation of Arab satellite television channels and internet websites in the 1990s and 2000s. Together, they greatly accelerated the spread of trans-national linkages and contributed to the creation of an Arab ‘imagined community.’ The steady erosion of regimes’ control over the flows of information to individuals and groupings within their own borders directly linked considerations of internal security to external events. No longer could sources of external insecurity be isolated, or contained within national boundaries. Accordingly, regimes began to construe these issues more as threats to their political or popular legitimacy than to their material security. This has guided their formulation of policies to meet the challenges they perceived as emanating from Iraq, Iran and trans-national terror.

Structure of the Book

The book is divided into three parts. The first part consists of three chapters that examine the multiple processes that have shaped, and are
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likely to continue to shape, the evolution of Gulf security structures. Chapter one provides a contextual historical overview of Gulf security that emphasises a pattern of continuity in the region’s myriad interactions with external powers and interests. It describes a cosmopolitan Gulf closely integrated into a trans-continental system that will belie any notions of the region as peripheral to world history until the advent of the oil era. Chapter two shifts the focus to the current security agenda in the Arabian Peninsula and the Gulf and the symbiotic interlinking of internal and external security with regime strategies of survival. It explores the motivations of Gulf policymakers in constructing security agendas that shape their responses to issues such as the perceived ‘Shiite crescent’ in Iraq and Iran, as well as the material and non-material or ideological threats posed by radical extremism and trans-national terrorism, particularly from Yemen and the emerging linkages with Somalia, which increasingly are binding two hitherto-distinct sub-regional security complexes—the Horn of Africa and the Gulf/Arabian Peninsula—together.

Finally in this section, chapter three looks to the future parameters of Gulf security by outlining four broad factors that will determine the contextual framework within which it will evolve. These are the impact of the processes of globalisation and the revolution in information and communications technologies (ICT), the internationalisation of the Gulf and its emergence as a pivotal actor in the global rebalancing between west and east, the uneven rates of depletion of hydrocarbon resources within individual GCC states and the diverging pathways to post-oil political economies that will result, and the continuing weakness of internal consensus within the GCC itself that inhibits any collective positioning on existing and future challenges to regional security. These demonstrate how intertwined will be the future evolution of the Gulf with the political and opening up of the region to trans-national and cross-border flows of people, information and goods.

Attention in the second part of the book shifts to the emergent and longer-term challenges to security and stability in the Gulf. Three chapters analyse the different aspects of these increasingly non-military threats to Gulf polities. The fourth chapter examines the socio-economic difficulties caused by demographic trends and structural imbalances in all of the GCC states and Yemen. It emphasises the growing disparities of wealth that render the continuation of current levels of welfare expenditure and redistributive mechanisms unsustainable in
the long-run. The fifth chapter describes how potential resource scarcities and uneven patterns of distribution may fragment state-society relations and undermine regime legitimacy. This introduces potent new dimensions to the security equation, not least basic issues of food and water security, and the chapter analyses the measures being undertaken in the GCC states to mitigate and overcome them. Meanwhile, the sixth chapter turns to the direct and indirect security risk posed by environmental degradation and long-term climate change. It examines the emerging nexus between weak and fragile states, growing resource scarcities, particularly in access to food and water, and its trans-boundary threats to human and state security as a potential driver of conflict within and between states. The chapter assesses the empirical evidence indicating that the socio-economic and demographic stresses (described in chapter four) and unequal patterns of resource distribution (chapter five) act as multipliers that magnify states and societies’ vulnerabilities to these types of external shocks. This is a pivotal issue of concern in the Gulf where numerous actual and potential fault-lines may become sharpened if dwindling access to scarce resources emerges as a source of future contestation.

In part three, chapter seven analyses the interlinking of these sources of insecurity by focusing on the multiple causes of progressive state failure in Yemen. The country is experiencing a crisis of governance and legitimacy and a concomitant erosion of state capacity as it faces a complex combination of socio-political, economic and environmental difficulties. The result is a failing political economy on the south-western flank of the Arabian Peninsula that constitutes a direct and growing threat to the security and stability of the GCC. This has profound regional and international implications for the geopolitics of insecurity in West Asia owing to Yemen’s proximity to Somalia and the incidence of failed and failing states on both sides of the commercially vital Gulf of Aden. It also establishes a direct link between Gulf security and the endemic insecurity in the Horn of Africa, and introduces new destabilising flows of weapons and fighters in both directions. This increase in cross-border acts of terrorist cooperation during 2009 facilitated the re-establishment of Al-Qaeda in the Arabian Peninsula in Yemen following its tactical and operational rollback in Saudi Arabia between 2004 and 2006.

A concluding chapter considers how a changing concept of security in the Gulf States can play a stabilising role in transitioning their politi-