

Center for Security Studies

STRATEGIC TRENDS 2021

Key Developments in Global Affairs

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STRATEGIC TRENDS 2021 is also electronically available at:
www.css.ethz.ch/publications/strategic-trends

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This publication covers events up to 1 April 2021.

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ISSN 1664-0667
ISBN 978-3-905696-76-9

CHAPTER 4

Europe and Major-Power Shifts in the Middle East

Lisa Watanabe

As the US scales down its ambitions in the Middle East, Russia has returned to the region, and China's engagement too is on the rise. Such shifts in great-power engagement are generating increased regional instability, as well as enhancing the capacity of China and Russia to shape outcomes in the Middle East. These developments risk undermining Europe's ability to promote its interests and normative agenda.



Handover ceremony of Taji military base in Iraq from US-led coalition troops to Iraqi security forces, 23 August 2020. *Thaier Al-Sudani / Reuters*



Three broad geopolitical trends are unfolding concurrently in the Middle East that Europe must grapple with to further its interests in the region. First, the US has begun a long-term readjustment of its regional engagement, which leaves more room for both regional and major powers to exert their influence. Second, Russia has returned to the Middle East and is adeptly stepping in to fill gaps left by the US. Third, China is becoming an increasingly important economic actor in the region. Although Beijing would prefer to continue to build up its economic footprint and import energy while “free-riding” on US security provision, Chinese and US energy and economic interests in the region could conflict and lead to an escalated US-China rivalry in the Middle East. These three trends are leading to heightened regional volatility that increasingly empowers Russia and China to shape outcomes in ways that undermine the EU’s ability to protect its interests and promote its own normative agenda. The EU thus risks being increasingly sidelined in the region. At the same time, minilateral coalitions of different constellations of EU and non-EU states will form a critical part of a European response to Middle East issues.

This chapter begins by exploring how the US is recalibrating its Middle Eastern engagement. It then looks at how

Russia’s return to the region, though initially prompted largely by economic interests, has evolved to the point where it can now be considered a major regional power broker. Moreover, Russia projects a significantly different image from that of the US, and one that resonates with leaders in the region. This is followed by a discussion of China’s burgeoning economic presence in the region and its light, but growing, security footprint. Finally, the chapter considers what these three trends could mean for Europe and its bearing in the region.

The US Steps Back

From the 1980s until the early 2000s, the US possessed both the capacity and will to shape the regional order in the Middle East. This was the result of several overlapping factors. The 1979 Soviet invasion of Afghanistan had raised fears in Washington that a hostile external force could pose a threat to its access to Persian Gulf oil, particularly since the Shah of Iran, Washington’s key ally in the Gulf, had been overthrown that same year. President Jimmy Carter’s response – the Carter Doctrine – was to declare that any attempt by an outside force to control Persian Gulf oil would be considered a threat to US vital interests and, if necessary, would be met with military force. Ensuring unfettered access to the Gulf’s oil resources



has thus been a key driver of US engagement in the Middle East. Relatedly, concerns about navigation security and the stability and security of Washington's Gulf allies, notably the Arab Gulf states, also prompted US interest in the region. The security of Israel has also become a sacrosanct element of US policy in the Middle East. The importance of securing these interests necessitated preventing hostile powers, such as Saddam Hussein's Iraq or the Ayatollah Khomeini's Iran, from disrupting the regional status quo. Following the 2001 al-Qaeda attacks in the US, counterterrorism also became a key driver of Washington's regional engagement.

The Carter Doctrine saw the US build a substantial forward military presence in the Gulf and the wider Middle East to enable military interventions, such as Operation Desert Storm in 1991, to reassure allies, and to dissuade foes, including Iraq between 1990 and 2003 and Iran under Khomeini.¹ The US has military bases, facilities, and several thousands of military personnel (some 43,000 in 2020²) in numerous countries in the Middle East (see map). Joint military exercises and training with regional allies, as well as arms transfers, have also helped foster close relations with friendly Middle Eastern states and ensure their compatibility with the US military.

Diplomacy and foreign aid, directed at promoting economic and political reforms, have also often been used to help shape the regional landscape. Military aid has proved another useful bargaining chip; the 1978 Peace Treaty between Egypt and Israel, for example, includes a provision for an ongoing commitment of US military aid to Egypt. Military aid similarly helped facilitate peace between Israel and Jordan in 1993. Moreover, Israel receives considerable US military aid to ensure it maintains a military advantage in the region. Trade more generally and investment never formed a significant part of US policy in the Middle East, however.³

The US began to recalibrate its approach in the region under the Obama administration (2009–2017). Though US opposition to Iran's nuclear ambitions has been a constant for decades, changing US interests necessitated a different prioritization of attention and resources. With the rise of China, Washington began to refocus its attention on the Asia-Pacific, now known as the infamous "pivot to Asia." Increased domestic production of shale oil and gas also freed the US from dependence on crude oil imports from the Persian Gulf, which had been a key driver of its engagement in the Middle East. In addition, the threat posed by al-Qaeda to the



US homeland was less pronounced. As a result, Washington became less willing to police the regional order as it once did.⁴ Instead, the US increasingly relied on its allies, both state and non-state, to intervene in the region's major conflicts. Washington also worked behind the scenes to promote a balance of power between Saudi- and Iranian-led blocs in the hope of fostering regional strategic stability. In addition, American appetite for nation-building initiatives diminished greatly in the wake of the difficulties experienced in stabilizing Afghanistan and Iraq post-2003.

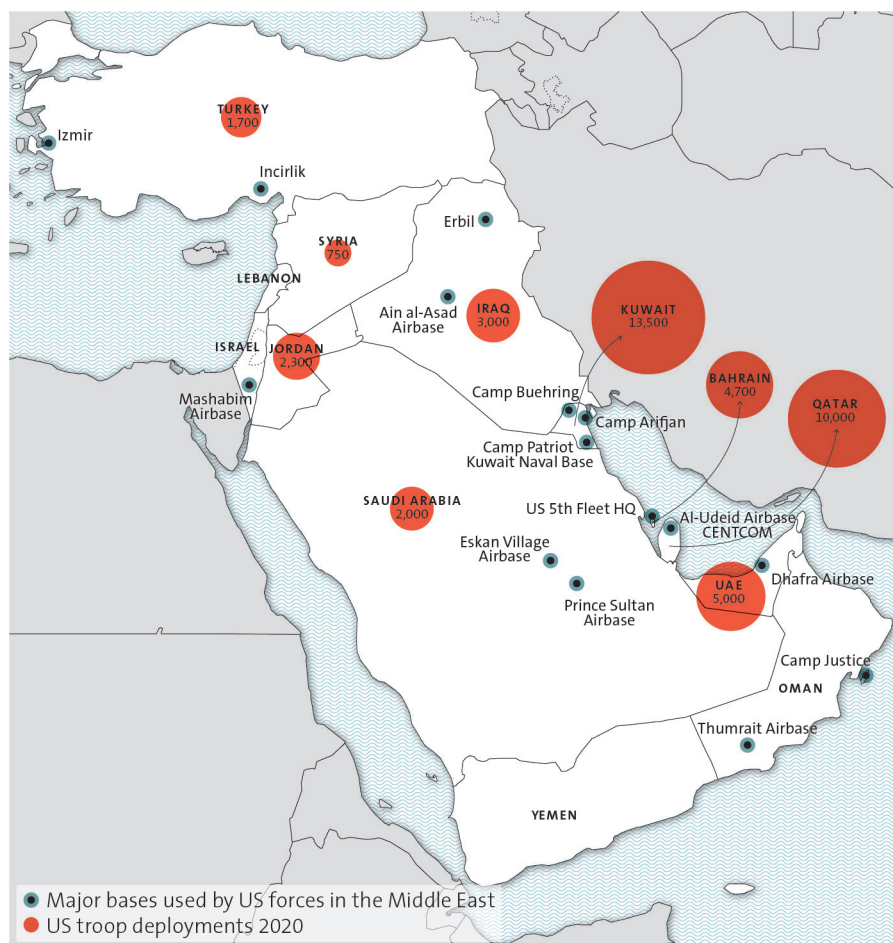
A clear early example of Washington's change in approach came in 2011, when the US opted to "lead from behind," in the words of an unnamed Obama administration official, in the intervention against the Qaddafi regime in Libya, rapidly handing over the task to NATO and several Middle Eastern allies. It was clear at that time that there was no appetite in Washington for rebuilding post-Qaddafi Libya. This emergent trend was further confirmed when the Obama administration, after publicly declaring a "red line" over the use of chemical weapons, chose not to intervene militarily in response to the Assad regime's use of sarin in Ghouta in 2013. Instead, the US went with Russia's initiative to dispose of Syria's declared chemical weapons, which only became possible

because the US took the lead in this process. Washington's primary concern in Syria, particularly following the so-called Islamic State's seizure of territory in the country in 2014, has been counterterrorism in cooperation with regional proxies and allies, rather than reversing the course of the war or effecting anything like regime change.

Although the Trump administration's (2017–2021) stance on the Middle East differed in many respects from its predecessor's, not least in relation to the Israeli-Palestinian conflict and Iran, reticence to engage in large-scale military interventions involving boots on the ground and post-conflict reconstruction remained unchanged. Although the Trump administration did carry out military strikes against the Assad regime in 2017 in response to its use of chemical weapons, Washington again showed no desire to deploy the US military to radically alter the situation on the Syrian battlefield or to end Bashar Al-Assad's rule. In fact, in line with Trump's broader move towards isolationism, the US' narrow emphasis on counterterrorism became even more pronounced. Once territory was recaptured from the "Islamic State" in 2019, the Trump administration lost no time withdrawing military personnel from Syria. Trump also made it clear to Syria's regional allies that it was *their*



US Forces in the Middle East



Sources: Al Jazeera; US Congressional Research Service; The Military Balance 2021

responsibility to pay for and support the reconstruction of the country.

Even with this trend towards a lower level of engagement in the Middle East, Iran remained a priority for the US on the world stage. The Trump

administration once again looked towards its allies in the region, Israel and the Arab Gulf states, to counter Iran's activities. The US-brokered 2020 Abraham Accords normalized relations between Israel and both the United Arab Emirates (UAE)



and Bahrain, and is a clear example of this new approach in action. In fact, it was fears of US retrenchment among Washington's regional allies that helped pave the way for this rapprochement. Even the 2019 Iranian attack on Saudi oil tankers in the Gulf did not provoke US military action against Iran. Only when Iran launched an attack on troops and embassy staff in Iraq that same year did Washington respond with direct, though limited, military action (drone strikes) that killed the commander of Iran's Quds Force, Qasem Soleimani.

Notwithstanding the new US approach in the Middle East, regional dynamics were already shifting following the Arab uprisings of 2010/11. The so-called Arab Spring weakened regional heavyweights, such as Egypt and Syria, and allowed other states to exert their diplomatic influence and their military power. Several states have gained more room for maneuver, generating increasing instability. Iran's regional influence has expanded, especially in Iraq and Syria. Its rival, Saudi Arabia, has equally been more assertive in its efforts to shape the regional order. At Riyadh's behest, the Gulf Cooperation Council intervened to suppress a popular uprising in Bahrain in 2011 that Saudi Arabia claimed was being stoked by Iran. Similarly, the Council launched a military

intervention in Yemen against Iranian-backed Houthi rebels in 2015. Yet, Riyadh's more robust regional role has also stoked divisions within the Sunni world. The blockade of Qatar was partly a product of a more assertive Saudi foreign policy aimed at bringing Doha back into line on issues such as its support for political Islam and its relations with Iran, both of which Saudi Arabia perceives as existential threats. Riyadh has often been flanked by an equally more strident UAE, which has even intervened on its own in Libya to prevent the growth of political Islam. This action brought the UAE into direct confrontation with another Middle Eastern actor, Turkey, which has also been able to exploit the gaps created by a lower level of US engagement in the region (see Niklas Masuhr's chapter).

While some changes can already be perceived in US policy in the Middle East under President Biden's administration, continuities also remain. Although the security of Israel will remain a steady element of US policy in the region, a more balanced approach to the Israel-Palestinian conflict can be expected, as well as a more multilateral effort to deal with Iranian nuclear issues. The Biden administration has already announced that it wishes to rejoin the Iran nuclear deal (JCPOA). The Biden administration's



precondition of this action, however, is Iran's return to full compliance regarding the restrictions on its nuclear program. To prevent Iran from extending its regional influence further, Washington will likely continue to build coalitions in the region, but in a less flagrantly anti-Iranian manner than under Trump. Pressure on the "Islamic State" will also continue, which will likely require some form of continued engagement in Iraq and Syria. Although many officials in the Biden administration also served under Obama and supported past military interventions in Iraq, Libya, and Syria, the US is unlikely to engage in large-scale military interventions in the foreseeable future. Changing US interests in the region and clear public opposition to such military interventions mean that unless the US homeland is directly attacked, there is little appetite for this type of direct engagement at present.⁵

Despite a shift in US engagement in the Middle East, those US interests in the region that remain constant mean that the US is unlikely to radically pare back US military presence, military aid, or even arms sales to the region. While the US may not be dependent on the region's energy resources, many of its allies are, and stable global oil prices remain in the US interest.⁶ As a result, the security of Washington's Arab Gulf

allies, and lucrative shipping routes in the region, must remain a priority. It appears, however, that Biden may take a more principled approach to the misadventures of regional allies, as is already the case in relation to Saudi Arabia. Another factor that will work against a drastic rupture in its bilateral security relations with allies in the region is great-power competition in the Middle East.⁷ As the US has stepped back from policing the regional order, Russia and China have been gaining ground.

Russia Steps In

Russia has benefited spectacularly from the US' recalibrated approach to the region. Although Russia's activities in the Middle East have only fairly recently attracted international attention, it has been re-engaging with Middle Eastern states for the last two decades. Initially, economic considerations were a major factor driving Russia's return to the region after the collapse of the Soviet Union. Islamist extremism and its potential capacity to spill over into the North Caucasus also focused Moscow's attention on the region. Moreover, in recent years, Moscow has increasingly desired to reassert itself as a global power in a multipolar world. This, alongside a fundamental opposition to Western efforts to spread their normative agenda through regime change, has



Arms Deliveries to the Middle East*

SIPRI Trend Indicator Values (TIVs) (in millions)



Note: The SIPRI TIV is a calculated value to measure trends in international arms flows over periods of time. It is based on the known unit production costs of a core set of weapons and is intended to represent the transfer of military resources rather than the financial value of the transfer. Therefore the figures do not represent sales prices for arms transfers.

* Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestinian Territories, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates, Yemen

Source: SIPRI

increasingly shaped Moscow's regional activities. Washington's resistance towards engaging in military operations in the region has created opportunities for Russia to promote itself as a major power broker. As seasoned observer Dmitri Trenin aptly puts it, President Putin is using the Middle East as "the springboard for Russia's comeback as a global power."⁸

As Russia began to re-engage with the region in the early 2000s, its search for new markets and revenue streams led Moscow to focus on increasing

arms sales to the region. These saw a marked growth in the first decade of the 2000s (see graph). This had the added value of creating valuable dependencies associated with maintenance and training requirements. Arms sales in return for the cancellation of Soviet-era debt proved a particularly effective way of reconnecting with a number of Soviet-era regional allies, including Iraq and Syria. Russian arms are relatively inexpensive, robust, and well-adapted to regional conditions. Critically, Russian arms are also reliably available; the US,



by contrast, may refuse to sell arms in certain conditions or to certain states. Diversifying arms suppliers then becomes a very prudent exercise for some countries hoping to ensure a continued supply of weaponry. Cairo, for example, has been increasing its acquisitions of Russian helicopters and fighter jets since the US partially suspended military aid in response to the 2013 ouster of former President Mohamad Morsi and Egyptian security forces' subsequent crackdown on Islamists. Turkey too has been buying Russian. Despite being a NATO member, Turkey has recently acquired Russian S-400 air and missile defense systems. Even Saudi Arabia concluded an arms deal with Russia in 2017. Yet, even if Russia can now be considered one of the Middle East's "go to" arms suppliers, the US remains the largest arms supplier for both of these states and the region as a whole.

Similarly, Moscow has pursued increased cooperation with many Middle Eastern states in the energy sector, providing both diplomatic and economic benefits. The Russian state-owned company Rosatom has secured contracts to construct and maintain nuclear power plants and research reactors in several countries in the region, including Egypt, Iran, Turkey, Saudi Arabia, and Syria. Energy cooperation of this kind is not only

lucrative, but also a beneficial long-term investment; these nations will be reliant on nuclear fuel rods of Russian origin, thus facilitating enduring cooperation in the energy field. Russian sales of crude oil and gas have also proved a useful tool to engage Middle Eastern states like Israel and Turkey, which are today the biggest importers of Russian energy resources in the region.⁹ Russian companies are also investing in the oil and/or gas sectors in Egypt, Iran, and Iraq, and have won contracts to reconstruct Syria's oil and gas sector. As an oil producer itself, Moscow has an interest in cooperating with the oil-rich countries of the region, especially Saudi Arabia, to maintain stable oil prices. This has proved particularly important since 2016, as significant increases in global oil inventories resulted in some price volatility.

Although these commercial activities helped re-establish Russia's presence in the region, the pivotal moment for Russia's renaissance in the Middle East came in 2015 when it began its military intervention in Syria. Moscow felt compelled to act not just to defend its closest regional ally, but also to prevent international interventions that support regime change, an effort that was central to its efforts to distinguish itself from the US. Concerns about what Moscow perceived as



Western-instigated regime change grew in Russia following the 2003 invasion of Iraq and the “color revolutions” in former Soviet states, particularly in Ukraine, and were further reinforced by Washington’s inaction regarding Ben Ali in Tunisia and Hosni Mubarak in Egypt in 2010/11. Having voted in favor of the UN Security Council (UNSC) resolution that mandated military intervention in Libya in 2011 to protect the civilian population, only to see that resolution subsequently interpreted to justify regime change by NATO and its Arab allies, Putin was determined to prevent a similar situation in Syria. Russia’s intervention also clearly sent the message that copycat revolutions closer to home would not be tolerated. After describing a “red line” for the US, Washington’s failure to follow through with airstrikes against Assad in 2013 clearly signaled that the US was unwilling to intervene to the extent it had in the past, and that the risk of direct confrontation between Russia and the US over Syria was thus relatively low.

Stepping in to defend the Assad regime has helped Russia consolidate its diplomatic and military role in the Middle East. The Russian military is set to remain in Syria for some time in order to protect Assad’s forces. Moscow’s loyalty to Assad has also won it long-term use of Khmeimin air base and

continued use of its naval facility at Tartus, which means that Russian naval vessels in the Mediterranean need not return home for servicing. Russia’s intervention in Syria also made Moscow look like a more reliable ally than Washington. This perception was reinforced when the Trump administration pulled its forces out of northeast Syria in October 2019 and left its Syrian Kurdish allies vulnerable to advancing Turkish forces. It was Russia (alongside Syrian forces) that moved into opposition-held areas in northeast Syria to prevent the Turkish army from advancing. It was also Russia that struck a deal with Turkey to jointly patrol areas captured by the Turks. Moscow’s centrality to the Syrian conflict has not just strengthened its relations with the Assad regime and Ankara, but also Iran, despite the fact that Moscow and Tehran do not share the same end game for Syria. Whereas Russia wishes to prevent the fall of an ally and promote its great-power status by intervening in the conflict, Tehran wants to create a Shia crescent extending from Iran to Lebanon. In addition, Russia is now an unavoidable interlocutor in conversations among Tel Aviv, Amman, and Beirut, all of which hope that Moscow will help them to advance their interests vis-à-vis the Syrian conflict. Russian companies will also play a part in the reconstruction of Syria, even if the



Russian Federation itself has limited funds to help rebuild the country.

In short, it is impossible to deny that Russia is now a major actor in the Middle East. It has effectively used its involvement in the Syrian conflict to boost its image as a great power, while adeptly managing to maintain balanced relations with countries in the region. Furthermore, Russia's presence in the region is likely to endure for some time. There are strong economic incentives for Russia to continue strengthening its relations with Middle Eastern states, through arms, energy, and grain sales, as well as the construction of nuclear facilities and investments in oil and gas sectors. If opportunities to enhance its image as a regional power broker arise, Moscow will likely capitalize on them, as far as it is able to given the impact of the coronavirus pandemic on its economy. Although Russia's military intervention in Syria has not been too costly in terms of both "blood and treasure," the Kremlin's attention may have to turn inwards. The economic slowdown in Russia due to the pandemic, combined with the slump in global oil prices, could circumscribe Moscow's foreign policy ambitions over the near term¹⁰, as well as turn its attention to shoring up domestic stability and support. Faced with a difficult economic recovery, the Russian public may have

less tolerance for "foreign policy adventures."¹¹ That said, when Moscow does intervene in the region it will, as Nikolay Kozhanov notes, use such openings to contrast itself with Western actors,¹² especially the US. Furthermore, the prominent security dimension of Russia's role in the Middle East stands in contrast to that of another international actor whose profile in the region has equally grown – that of China.

China Steps Up

Like Russia, China's engagement in the Middle East has been growing over the past 20 years. China's activities and influence expanded significantly following the launch of its Belt and Road Initiative (BRI) in 2013, an ambitious infrastructure and investment program designed to increase China's global connectivity and fuel domestic growth. Energy is at the heart of Beijing's interests in the Middle East; the region is one of China's principal crude oil and gas suppliers. Some 40 per cent of its crude oil imports originate from the region, despite the increase in Russian crude oil exports to China.¹³ Notably, the bulk of oil imports from the Middle East come from Saudi Arabia.¹⁴ Energy imports from the region, as well as Chinese exports to Europe and Africa, need to transit through the Middle East's numerous maritime chokepoints,



notably the Strait of Hormuz, Bab el-Mandeb, and the Suez Canal, making regional maritime security equally important to Beijing.

Although China does not have an overarching strategy for the region, its 2016 *Arab Policy Paper*¹⁵ is indicative of its approach. The paper states that Beijing intends to expand mutually beneficial, “maximum pressure” cooperation with Arab states, particularly through the BRI. It also emphasized respect for sovereignty and non-interference in the domestic affairs of states in the region, mirroring Russia’s narrative. According to Beijing’s “1+2+3 cooperation pattern,”¹⁶ energy should be at the core of its relations with Middle Eastern countries, complemented by infrastructure as well as trade and investment, and enhanced by cooperation in areas such as nuclear energy, satellites, and renewable energy sources.

In a similar vein to Russia, China is engaging with all states in the region regardless of their alliances or involvement in regional divides, such as the Saudi-Iran rift. Bilateral relations with Middle Eastern states are bolstered through a series of partnership deals that vary in scope and reflect the importance of the region for China’s energy and economic interests. Most were signed after the launch of the BRI in 2013. Among countries in the region,

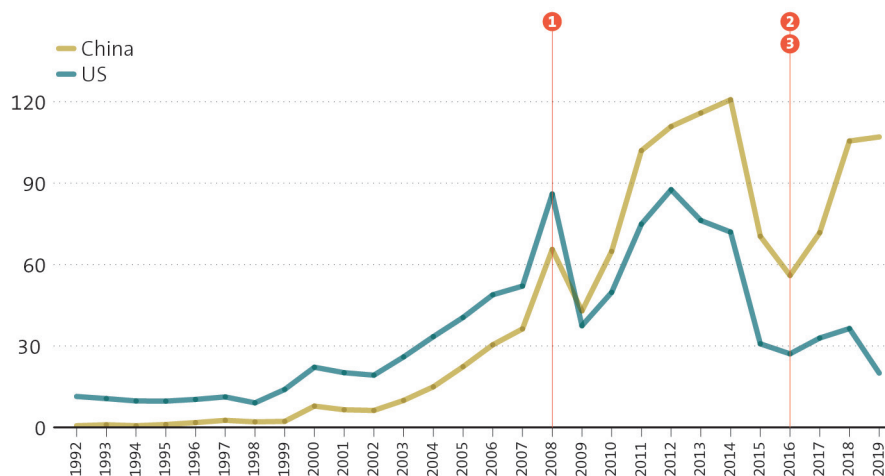
Egypt (2014), Saudi Arabia (2016), Iran (2016), and the UAE (2018) have established comprehensive strategic partnerships, the fullest form of partnership that Beijing offers in terms of fields covered. Against the backdrop of the Trump administration’s “maximum pressure” campaign against Iran, a draft copy of a 25-year comprehensive strategic partnership deal between Tehran and Beijing was leaked to the media in 2020. China and Iran signed the document in March 2021, but it still awaits ratification by the Iranian parliament. China and Israel signed a similar type of deal, known as a comprehensive innovative partnership, in 2017. A number of other countries in the region, including Turkey (2010), Qatar (2014), Jordan (2015), Iraq (2015), Kuwait (2018), and Oman (2018), have concluded strategic partnerships with Beijing. Although less ambitious than comprehensive strategic partnerships, they still allow for wide-ranging cooperation.

In general, governments in the region tend to view China as a welcome source of trade opportunities and foreign direct investment (FDI). The last decade in particular has seen greatly increased trade between China and Middle Eastern states. Not surprisingly, trade has grown most dramatically with the energy-rich Gulf states that are now fulfilling China’s enormous



Crude Oil Imports from the Middle East

In current USD (billions)



- 1 In 2008: OPEC cut crude oil production.
- 2 In 2016: OPEC+ cut crude oil production. This agreement was extended into 2017, 2018, and 2019.
- 3 As of 2016: The Trump administration sought to reach complete energy independence and made progress on that front.

Source: WITS / UN Comtrade

energy demands; for these states, energy sales to China are a lucrative source of revenue as US energy demands continue to decline. Saudi Arabia and the UAE are China's top regional trading partners.¹⁷ Were it not for US and UN-mandated sanctions, Iran too would have benefited from a significantly higher volume of trade with China, particularly through the sale of oil. Though Beijing allegedly continues to import illicit oil from Iran in contravention of the 2018 US sanctions, declared imports have nevertheless

significantly dropped.¹⁸ As one might expect, most non-energy-rich countries have seen less growth in trade with China. Egypt is a clear outlier, however, reflecting the Suez Canal's importance for regional maritime security. China is today Egypt's biggest trading partner, though much of this trade is composed of Egyptian imports of Chinese goods, with few Egyptian exports to China. This imbalance in trade tends to be characteristic of the relationship between China and non-oil producers in the region.



Chinese investments in the Middle East have also been on the rise, particularly in the energy sector. China has devoted significant resources towards building petrochemical facilities, as well as in port, canal, and land transportation infrastructure. According to the American Enterprise Institute's China Global Investment Tracker, the region has seen some 123 billion USD worth of Chinese investment since 2013, and China became the Middle East's largest external investor in 2016.¹⁹ Most Chinese FDI is in Saudi Arabia, the UAE, Iran, Israel, Egypt, and Turkey – states that are critical for fulfilling China's energy needs and/or the distribution of its goods.²⁰ Some of these investments, particularly those in Israel, have raised alarm in Washington. Chinese firms are building Israeli railway infrastructure, as well as expanding and then operating the ports at Ashdod and Haifa. For 25 years, China will help control and facilitate the shipment of goods from the Gulf of Aqaba to the Mediterranean Sea and on to Europe.²¹

China's investments, rising number of nationals in the Middle East, and dependence on energy imports from the region naturally lead to a stronger regional security role. China contributes to regional security through UN-mandated peacekeeping in the region and anti-piracy operations in

the Gulf of Aden and Horn of Africa. In a crisis situation, Chinese naval presence in the region can be used to evacuate Chinese citizens from regional hotspots. A Chinese vessel from the Gulf of Aden was deployed to help evacuate 35,000 Chinese citizens from Libya in 2011 and a smaller number from Yemen in 2015, for example. Since the 2013 Chinese defense white paper explicitly mentions the protection of Chinese citizens abroad as a priority for the nation, more of these kinds of missions can be expected in the future.²² Military-security cooperation is also a component of almost all of China's partnership deals. Beijing's interest in maritime security in the Gulf has seen it carry out joint naval exercises with Iran, Saudi Arabia, and Oman, as well as establish its first overseas naval base in Djibouti. This base, which flanks Bab el-Mandeb, is officially described as a "logistical hub" to support Chinese contributions to peacekeeping, maritime security, and humanitarian relief. On a very modest scale, the PLA is also engaged in joint training exercises with Saudi armed forces and will likely do the same with the Emiratis. If ratified by the Iranian parliament, the 25-year deal between China and Iran would also imply some level of military-to-military cooperation, though this may simply formalize what already takes place. China is



likely to tread cautiously in order to avoid provoking the US or antagonizing Saudi Arabia.

China is also seeking to boost arms sales to the region, especially to the Gulf, where its interests are concentrated. While China cannot offer weapons that are technologically superior to those of the US, many states are nevertheless interested in diversifying their arms suppliers. Many of these states, however, are heavily integrated with US weapons systems, which limits the extent to which China can engage and win a bigger share of the market. That said, China has been exporting missiles to the region and has managed to carve out a niche for itself in the supply of Unmanned Aerial Vehicles (UAVs), due in part to Washington's reluctance to sell UAVs to Middle Eastern states. The expiry of UNSC restrictions on arms sales to Iran in late 2020, and the commercial opportunities this might present, may see China try to tap into the Iranian market again. Nevertheless, as in other domains, Beijing's first priority will likely remain maintaining good relations with Riyadh and avoiding direct confrontation with Washington, including by respecting its red lines in relation to its allies.

All in all, Beijing's considerable interests in the region have translated

into a form of engagement that has a stronger economic component than that of Russia, as well as a modest but growing security dimension. Over time, China's military involvement may increasingly encroach on US military positions and interests, particularly if the US continues to reduce its security burden in the region and the intensity of its security relations with regional allies. Yet, at present, Beijing knows that it is unable to provide the kind of security assurances that the US has for decades, and Middle Eastern states also know this. Moreover, China's bilateral military-security relations and military infrastructure in the region pale in comparison to that of the US. China has one military base in Djibouti with 1,000–2,000 military personnel, compared to US bases in ten countries in the region that host around 43,000 military staff, not to mention the US' own base in Djibouti.²³ Consequently, Beijing has an interest in continuing to build up its economic presence in the region and leaving security provision to the US for as long as possible.

That said, tension with the US may be difficult to avoid in the Middle East. Chinese involvement in technological and physical infrastructure projects in the region is already raising alarm in Washington, and such investments



are only likely to increase. For example, Washington fears that China's investments in Israel could enable Chinese surveillance of US naval operations at the Port of Haifa, where the US Sixth Fleet regularly docks. Another possible point of contention is the Chinese company Huawei's involvement in the deployment of fifth-generation (5G) wireless networks in several countries in the region that are digitalizing fast, including the UAE, Saudi Arabia, Bahrain, Kuwait, and Oman. Since the US accuses Huawei of being a potential "backdoor" to Chinese government surveillance, these states may find it hard to avoid future US diplomatic pressure to find other 5G providers. The US, for example, strongly supported the Israeli decision to exclude Huawei from its 5G networks in 2019²⁴ and has already warned Turkey that Huawei's participation in Turkish 5G networks could complicate their already strained relations.²⁵ Though clearly not ideal for many states in the region, the Middle East is likely to come under increasing pressure from Washington to "choose" between the US security guarantee and economic relations with China. This choice is likely to be complicated further given China's early recovery from the coronavirus crisis. Moreover, the US will almost certainly oppose deepening security-military cooperation between China and its regional allies.

The EU Knocked Off Balance

In the shadow of these three external powers is Europe. Its regional engagement in the Middle East is driven by concerns about refugee and migration movements, radicalization, terrorism, navigation security, and the need to maintain stable oil prices. Despite the extent to which instability in the region can have serious ramifications for Europe, given its geographical proximity and societal ties to the region, the EU is comparatively less visible as an actor than the US, Russia, or even China in the region. Yet, this is by no means due to a lack of involvement. The Middle East is a focus of the EU's European Neighbourhood Policy (ENP), established in 2004 to foster stability in the EU's periphery through reforms to improve governance capacities, the rule of law, socio-economic development, as well as to help the EU manage irregular migration, largely through economic-related incentives, such as increased access to EU markets and development assistance. Through the ENP, the EU has substantial bilateral relations with several Middle Eastern states and actors, including Egypt, Israel, the Palestinian Territories, Lebanon, Jordan, and Syria (suspended since 2011). In addition, the EU also engages with states in the region through multilateral fora, including the Union for the Mediterranean (UfM), the League of Arab States, the



Organisation of Islamic Cooperation, and the Gulf Cooperation Council. It is also present in the region through its Common Security and Defence Policy (CSDP), which *inter alia* promotes EU involvement in peacekeeping, conflict prevention, and crisis management. The EU is currently responsible for two civilian CSDP missions in the Middle East, EUBAM Rafah in the Palestinian Territories and EUAM Iraq, aimed at border security capacity building and broad security sector reform respectively. The EU also runs a maritime security operation, EU NAVFOR Atalanta, in the Gulf of Aden.

Yet, despite this fairly substantial engagement, the EU appears fairly absent in the region for several reasons. As the above activities suggest, its approach to promoting peace and stability as a means to protect its interests requires a multi-dimensional transformative agenda that is not amenable to quick fixes or catchy headlines. Moreover, responding rapidly to unfolding crises or taking strong diplomatic positions on Middle Eastern issues is challenging for the EU as an actor. The EU is necessarily limited by its need to find consensus among member states that have differing stakes in the region, as well as diverging strategic cultures (see Julian Kamasa's chapter). Fostering consensus on regional issues in a more consistent way would, at the very least,

require France to act as a consensus builder within the EU. Among EU member states, France has the greatest interests (not to mention the largest historical and diplomatic clout) in the Middle East. However, Paris does not view a collective position on Middle East issues as always in its interest.²⁶ There are times when it prefers to act alone or in minilateral coalitions to raise its profile in the region. For example, the E3 format (France, Germany, and the UK) was critical in negotiating the JCPOA. France, following tensions in the Gulf in 2019, also helped initiate the European Maritime Awareness Mission in the Strait of Hormuz (EMASoH) alongside likeminded Member States. When Europe needs a strong diplomatic or security response to crises in the Middle East, individual EU member states tend to lead.

Protecting European interests in the face of great-power shifts will, therefore, pose challenges for Europe, particularly in this fragmented form. Though many questions remain over how the adjustment in US engagement in the Middle East will manifest, the US and Europe will continue to work together. Particularly under the new Biden administration, US and European interests still closely converge in counterterrorism, navigation security, stable oil prices, and preventing Iran

from disrupting the status quo in the region. The true risk of US recalibration in the Middle East, at least for Europe, relates to the consequences of increased regional tensions, as well as the uncertain ramifications of Russia's growing security role in the region.

As mentioned earlier, the changing US role in the Middle East is creating more opportunities for power plays in the region, leading to the regionalization of conflicts and an intensification of existing rifts, particularly between Iran and Saudi Arabia and their respective partners. A large number of actors in a conflict situation, particularly if they are trying to assert themselves as regional powers, are likely to exacerbate a situation and make it even harder to resolve. Humanitarian and refugee crises that may become protracted are already resulting from heightened regional volatility. These tensions are also compromising maritime security, as witnessed in the Gulf in 2019. Aside from humanitarian aid and assistance for vulnerable refugee host countries, the EU will find it hard to respond decisively to crises and conflicts as a result of the aforementioned restrictions. If Syria is anything to go by, this could be further exacerbated if Russia is an intervening external actor. Russia's military intervention in the Syrian conflict is making it harder for the EU to promote the kind of political solutions it

sees as essential for long-term stability, given that the intervention has ensured Assad's survival. Moreover, Russia's mediation efforts with Turkey and Iran through the Astana Process have effectively marginalized the UN-facilitated peace talks on the Syrian conflict that the EU supports.

Beijing is still reluctant to become directly involved in the region's crises and conflicts. Therefore, as long as the US and other actors engage in ways that do not interfere with its interests, its security role in the region poses less of an immediate concern for Europeans than that of Russia. However, potential tensions over maritime security between China and the US could arise and cause instability with consequences for Europe. Although the US has been calling on other states to do more to protect their commercial vessels in the Gulf, Washington is unlikely to want Beijing to increase its maritime security activities and thus its naval presence in the area. Europeans could do more to ensure the safety of shipping and to avert US-China tensions in the region. The EU's CSDP EU NAVFOR Atalanta in the Gulf of Aden is a good example of how the EU can contribute positively to maritime security and deconfliction. Yet, the EU may be slow to reach agreement on such operations for the very reasons described



above. Fortunately, in the latter case a core group of EU states were willing and able to work together on maritime security outside of an EU framework, leading to EMASoH. Although the EU would have an interest in boosting its maritime security role in the Gulf, it has yet to be seen whether EMASoH will eventually lead to the establishment of an EU operation.

The EU will need to evaluate how China's BRI may affect its ability to promote its transformational approach to sustainable stability in the Middle East. China provides a model of economic success combined with authoritarianism that is appealing for many leaders in the region. Moreover, its investments in the region could help sustain authoritarian tendencies, for instance, through the export of surveillance technologies. Promoting political reforms that the EU views as central to good governance practices and long-term stability could become harder for Brussels as a result. However, as pointed out earlier, China's trade with and investments in the region are uneven and largely focused on energy-exporting states or those that constitute critical nodes in global transportation, such as Israel and Egypt. Given that the latter is one of the less wealthy states in which China is especially active, the EU should carefully monitor the impact that increased

economic relations with China has on its leverage in Egypt, as well as the extent to which Chinese infrastructure projects are likely to contribute to growth and the extent to which they risk leaving Egypt indebted. Overall, there is still room for the EU to use its economic strength to engage the poorer, non-resource-rich countries in the region as a means of promoting good governance and long-term stability, as well as to reduce the level of irregular migration to Europe. This could be a particularly effective approach since the US and Russia underutilize trade (outside of arms sales) and investment as vectors for shaping change.²⁷

Ultimately, the EU will find it challenging to respond to many of the consequences of the geopolitical shifts happening in the region, particularly intensified regional rivalries and Russia's growing security role. Differences in the interests and strategic cultures of EU member states will inevitably limit the scope of what the EU can do. Its efforts will most likely continue to focus on humanitarian assistance, using the depth of its bilateral relations with several states to promote good governance and reduce irregular migration to Europe. Coalitions of European states working within multilateral formats, with both EU and non-EU members, will be crucial to

furthering European interests in the Middle East through stronger diplomatic and security responses.

To be sure, the more complex regional environment will pose challenges not just for Europe, but for the West in general. The scaling down of US ambitions in the region is generating greater regional instability as Middle Eastern states respond by adopting more assertive foreign policies and engaging in military interventionism, complicating existing conflicts and potentially fueling new ones. The extent to which the US will be able to manage the tension between scaled back involvement and heightened instability, while continuing to protect its interests, has yet to be seen. An ever-deepening Saudi-Iranian rift will make it harder for Washington to curtail Iran's regional activities, for example. Yet, managing Iran is still central to the rationale for US engagement in the region. Moreover, the increased involvement of Russia and China could also make it doubly difficult for the West to promote its political and security agendas in the Middle East. The agendas of both states will create more options for governments in the region and encourage the entrenchment of state power above all else. As a result, it is not just Europe but the broader West that may find itself knocked off balance in the Middle East.

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