

Keynote Address

NATO Defense College Conference on “NATO and Gulf Security”
Rome, December 2, 2009

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One of the great traditions of the Christmas season in the United States is the resuscitation of the holiday story, *A Christmas Carol*. Charles Dickens’ book, now a century and a half old and still going strong, tells the tale of Ebenezer Scrooge, a penny-pinching businessman with only the barest trace of generosity. Four ghosts visit him. The first is the ghost of his old business partner, Jacob Marley, bound in chains, who warns Scrooge of the dangers of his current course. After Marley disappears, three more ghosts come: the ghost of Christmases past, who softens Scrooge by reminding him of his young adulthood, the ghost of Christmas present, who sensitizes Scrooge to the suffering around him, and the ghost of Christmases yet to come, intended to scare Scrooge about this own fate. The cumulative effect of the four ghostly visits is to persuade Scrooge to radically change his current course, in order to avoid the horrors that have been set before him.

A Christmas Carol makes for a great story. It has been the basis of scores of films, and it has lent words such as “Scrooge” and “Bah Humbug” into our vocabulary. I’m not, though, sure it is the basis for great public policy. At the core of *A Christmas Carol* is a dire need for change. Sometimes, a current course, for all of its shortcomings, is preferable to its alternatives, and seemingly unsustainable situations are more sustainable than they appear to be.

To my mind, Americans are particularly susceptible to the logic of *A Christmas Carol*. As a group, we embrace the redemptive power of change and the ability to provide a solution set for every problem. In a world of evolving threats, Americans are often looking to solve today’s problems quickly so as to prepare ourselves to confront tomorrow’s. The world, however, does not always conform to our desires.

For the next few minutes, with your permission, I’d like to assume the role of Jacob Marley—minus the chains—and engage in a thought experiment with you. I’d like us to imagine what the story of *A Christmas Carol* might have been like if, rather than writing about Victorian London, Charles Dickens were writing about GCC security. Please allow me to present three visions: the ghost of seminars past, the ghost of seminars present, and the ghost of seminars yet to come.

For the ghost of seminars past, I want to take you back in time forty years. The United Kingdom had just announced its determination to withdraw from the Gulf, sending shudders through the region. The region was still reeling from war, as Israel's 1967 victory had dealt a blow to Arab nationalism and redrawn the map of the Middle East. U.S. influence was, by most accounts, waning in the region, and not only because of the country's perceived closeness to Israel. A long and drawn out war in Vietnam seemed to be stumbling on without a conclusion, and a yawning U.S. budget deficit made it difficult for the United States to entertain the possibility of any additional global commitments. The parallels aren't exact, but some aspects of the environment were not so far from the situation in which we find ourselves today.

Then, as now, the Middle East seemed perched on the edge of crisis. Through the summer and fall of 1968, the Center for Strategic and International Studies (my own institution) gathered together thirteen leading experts from the United States and the United Kingdom to offer guidance. It was a heavyweight list. Chaired by Bernard Lewis, before his move to Princeton, the group included Albert Hourani, J.C. Hurewitz, Charles Issawi, Walter Laqueur and P.J. Vatikiotis—essentially the deans of modern Middle Eastern studies at that time.

The experts observed that Britain's announced withdrawal from the Gulf threatened to upend the stability that had existed, under British supervision, for a century and a half. Without the UK's steadying hand, the experts feared disturbances within states and between them, and they saw the slinking hand of Soviet expansion filling the vacuum that departing British officials created. To stave off a fiasco, the experts recommended a series of steps: federation between Bahrain and its neighbors, a durable British amphibious force stationed in the Gulf, perhaps in Sharja, and sustained British support for the armed forces of all of the newly created Persian Gulf states. The experts also suggested a stepped-up pattern of port visits by a variety of Western powers, and the creation of a U.S. Navy-led Indian Ocean Task Force to deter Soviet penetration.

As far as I know, not a single one of these recommendations was followed. And at the same time, the sky did not fall. There have been regional wars to be sure, and the experts' fear that Iraq might be tempted to take over Kuwait turned out to be prescient. Yet, at the same time, the experts showed a distinct lack of confidence in the ability of the region's powers to adapt, to make accommodations between themselves, and to strike deals between themselves and the global powers. They failed to see the active intervention of the United States in the Gulf, first through the "Twin Pillars" strategy of building up Iran and Saudi Arabia, and then through a more direct presence after the fall of the Shah. The experts not only did not have the answers, but often times, it seemed like they were asking the wrong questions.

The experts, in short, imputed a fragility to conditions in the Gulf that was not there, they failed to anticipate the way countries would act together and alone prevent

instability, and they viewed change in the status quo as being more catastrophic than it in fact proved to be.

That ghost is not as scary as it intended to be, so let us move to the ghost of seminars present. The question in the minds of many is how durable the U.S. presence in the Gulf is. By most accounts, the U.S. power, influence, and even strength in the Middle East are in decline. The trillion dollar U.S.-led war in Iraq has had inconclusive effects on regional security. The costly war in Afghanistan is perhaps entering an even more active phase. The Arab-Israeli peace process is stuck in neutral, and U.S. efforts to pressure, goad and cajole all sides seem to be yielding little progress. If anything, in fact, the efforts suggest to some that the United States can be defied with impunity. On top of all this, President Obama is struggling through a sluggish domestic economy and historic deficits, and he is locked in a vicious domestic political battle to reform the health insurance system. Unlike the last administration, the Middle East seems not to animate the current one. One could be forgiven for arguing, as some did in 1968, that U.S. power in the Middle East is at its nadir. Some have begun to argue that the U.S. role in the region generally, and the Gulf more narrowly, is in transition.

But before considering the U.S. role in the Gulf to be in transition, one must consider what it might be in transition to. Quite honestly, I can't think of a single power or group of powers who might even assume a significant portion of the U.S. role.

Some might point to increased French activity in the Gulf, with the creation of the St. Cyr military academy in Doha and the opening of the French Naval base in Abu Dhabi. If you combine this with the opening of the Sorbonne and the Louvre in Abu Dhabi, it seems to some – and not least some of my British friends – that France is making a concerted push for influence in the Gulf.

Can France's efforts translate into a strategic shift? I'm not so sure. The French naval base in Abu Dhabi is not of sufficient size to have a military consequence, and the Sorbonne has had difficulty attracting students. Overall, we have seen little evidence of a French appetite for a freestanding foreign policy, let alone a freestanding military policy. France's naval forces defend France, they do not project French power; the French navy's nineteenth century role did not survive the twentieth century, let alone continue into the twenty-first.

The way I read French actions, they are principally commercial rather than strategic, an effort to sell kit rather than squeeze the United States from the Gulf. Indeed, I'd be hard-pressed to find evidence that France is ready in any way to assume a significant part of the U.S. role

The other potential replacement some talk about is China. China obtains about half of its imported oil from the Gulf, and unlike the Western powers, its appetite for oil

is growing rather than waning. China is the most important growing oil market in the world, bringing Middle Easterners and Chinese together in shared mutual interest.

Not only do the Middle East and China share interests, but Chinese military capabilities are growing. By some accounts, China's navy is the third most powerful in the world. To some, it seems like a likely replacement for U.S. ships.

But the Chinese navy is a regional navy, intended for service in the Pacific rather than far afield. Simply put, it does not have blue water capabilities. In a current operation that tests those capabilities, the Chinese now have three ships patrolling off the coast of Somalia. The logistics involved in supplying and sustaining those ships—not involved in any combat operations—are an innovation for China. While such operations, combined with potential ship visits to Latin America, may be a taste for things to come, a wholly new Chinese role on the high seas is decades off.

If not a power from outside the Gulf, what about one inside the Gulf? The only potential candidate, it seems to me, is Iran. If there is one certainty in my mind, it is that the United States is not about to cede influence to an Iranian government whose response to international censure over its enrichment program is to announce plans to build ten more enrichment facilities, nor to an Iranian government that seems to have put the Revolutionary Guards at the pinnacle of the country's naval operations. For the United States, growing Iranian assertiveness is a cause for strengthened determination, not the impetus for retreat.

What that leaves us with is a sustained U.S. role in Gulf security, not because it is without its drawbacks but because there appear to be so few alternatives to it. The Straits of Hormuz are a major chokepoint in the global economy, with over 20 percent of the world's traded oil passing through it every day. Any disruption in trade could have catastrophic effects not only the nations importing Gulf oil, such as the industrializing countries of Asia, but on importers around the world. The U.S. commitment of almost 30,000 sailors to the Gulf and surrounding areas far exceeds not only the commitment of others, but also the capability of any other power or collection of powers. U.S. naval operations in the region, as they do in many other regions, expressly try to integrate operations with other navies through the Combined Maritime Forces, but the issue of U.S. leadership and U.S. responsibility is rarely in doubt.

I am afraid that this ghost isn't so scary either, so let us move on to the ghost of seminars to come. With growing concern about climate change, increased research on alternative fuels, and repeated American calls for energy independence, one might think that the U.S. commitment to the Gulf will be short-lived. Following this thinking, we are on the brink of the end of the oil age, and as global reliance on oil ends, U.S. interest in the Gulf will end with it. While I agree that the U.S. commitment to the Gulf is contingent on the centrality of Gulf energy supplies, I very much doubt that change will be upon us soon.

When we think of the future of global energy use, our minds are often drawn to sleek Scandinavian buildings of glass and wood that retain heat and repel cold, or to smart grids that promise to recharge fleets of electric cars at moments of low consumption. Let me take your mind to a different image, to the clogged streets of Cairo, Jakarta or Mexico City, to Tehran, Delhi and Beijing. It is in these places—full of young and vibrant populations striving for the prosperity that has eluded them and their ancestors—that the global energy market will be shaped for years to come. While statistics are sometimes unreliable, I want to highlight a simple and surprising fact: sometime in the last year, the developing world probably overtook the developed world in overall energy consumption. The richest countries still consume energy far out of proportion to their populations, and their energy consumption, despite conservation efforts, continues to grow. But the billions and billions of people in the developing world are quickly catching up. This is the first time in human history—or at least, the first time in several centuries—when this has happened. And the fact is, the world is never going back. As incomes rise, even for relatively small segments of the world's most populous countries, private automobiles become more affordable and clog roads, leading to ever-growing fuel consumption.

Of course, petrocarbons are not the only source of energy. There is coal, wind, solar, nuclear, geothermal, and probably a few promising technologies that have not yet been created. But oil has several advantages over all of them, especially as a transportation fuel. It is cheap, transportable, and there is a century's worth of infrastructure supporting it. Even if, tomorrow, someone invented a technology to displace oil as a transportation fuel, it would likely take decades to transition away from oil in the Western world, and even more time to make a similar transition in the developing world, where there is less technological infrastructure.

There is an emerging regulatory environment as well, as concern with global warming grows even among developing nations. Yet, it very much seems to me that this will have the effect of regulating the growth of petroleum markets rather than diminishing their size. It is hard to imagine new technology that will either be inexpensive or technologically uncomplicated, and that suggests that oil will be a vital part of the fuel mix for all of the world's economies for decades to come.

If oil is important, then the Gulf must be important, too, because, quite simply, that is where the oil is. Let me illustrate this with a simple and surprising fact: If you took all of the proven reserves in the Gulf and put them into standard oil drums, then stacked those drums on top of each other, they would reach back and forth to the moon 15 times. The Gulf holds sixty percent of the world's proven reserves, and that is before extensive exploration in Iraq or Iran. I have a hard time imagining any circumstance for the rest of my professional career in which the Gulf will cease to be a central security concern for the United States, and I plan to work for many decades to come.

Three ghosts have come to us, and for my own part, I don't find them very scary at all. The ghost of seminars yet to come remind us of the fickleness of the world's reliance on oil, but it is unpersuasive. The ghost of seminars present urges us to beware of alternatives to the U.S. security umbrella over the Gulf, but it is unable to conjure up any concrete alternative. The ghost of seminars past reminds us of the tendency of analysts to fear a host of eventualities, but the perspective of history reminds us that worst-case scenarios rarely come about.

The point of all of this has not been to minimize the challenges facing the Gulf states, but rather to contextualize them. Every few years, there is an initiative intended to "fix" the problems of Gulf security, in order to manage one or another unmanageable problem. Scrooge was toward the end of his life, and he needed to transform himself urgently, so as to avert catastrophe. The U.S. commitment to the Middle East is at a point of stress, but not a point of crisis.

The last chapter of *A Christmas Carol* ends with Scrooge awakening in his bed, to realize he had not yet suffered a terrible fate. "I will live in the Past, the Present, and the Future!" he said, as he scrambled out of bed. "The Spirits of all Three shall strive within me." We should follow his example and recall the lessons of the three ghosts who have visited us. They have been scared, but they are not scary themselves. They should remind us of the seriousness of the tasks before us, but not their impossibility.