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NATO Energy Security Centre of Excellence

Šilo g. 5A, LT-10322 Vilnius, Lithuania
Phone: +370 706 71000
Fax: +370 706 71010
Email: info@enseccoe.org

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EDITORIAL

Since its establishment in 1949 NATO has tread a long road expanding the Alliance's influence and cooperation beyond the Euro-Atlantic area, consisting of 28 member and over 40 partner countries, invited under the Partnership for Peace (PfP)/ Euro-Atlantic Partnership Council (EAPC), Istanbul Cooperation Initiative (ICI), Mediterranean Dialogue (MD) and Partners Across Globe (PAG) formats. Thanks to our honorable authors, we are glad to present you five articles for our ninth volume of "Energy Security Forum", which uniquely combine emerging security threats and NATO partnerships.

In the context of the currently ongoing crisis in Ukraine, and the Russian energy domination in Eastern Europe, Arab countries (the Persian Gulf has been and still is the biggest hydrocarbon energy-producing region in the world) could emerge as a new major game-changer potentially able to completely outweigh the Russian energy supremacy and shift the balance in Europe. Therefore, from the perspective of Russia, it could be considered as a possible threat to stable Gazprom's monopoly in the region. However, for Eastern Europe or even Europe in general, it could mark a vital chance gaining desirable energy independence from Russian energy.

With these considerations in mind, this edition of "Energy Security Forum" not only promotes further possible discussions on new energy players' appearance in the field, but also tries to oversee other potential challenges. In accordance to previously mentioned circumstances, European and NATO countries could not only face a new type of possible reliance on oil and gas delivery from the Middle East and Gulf, but face a great urgency to ensure the safety of its energy supply lines as well. Therefore, this bond certainly increases a further need for developing a closer NATO-Gulf Cooperation Council (GCC)/NATO-Istanbul Cooperation Initiative (ICI) partnership.

The ninth volume of "Energy Security Forum" also serves as an introduction for the upcoming events in the field of Energy Security in 2014. In particular, the opening of the first LNG terminal in the Baltic States (in Klaipeda) and initial NATO-ICI cooperation embodying Table Top Exercise 2014 (led by NATO HQ together with NATO ENSECCOE). In order to cover this energy-security-partnership convergence, we have asked our experts to express their views on the following question: **What are (/are there any) current energy security based partnership developments and how it could emerge in "(re)energizing" NATO cooperation with the Gulf region in the future?**

We really hope that the ideas and views presented by our experts in this ninth volume of the "Energy Security Forum" cover new and unexplored areas of NATO cooperation(s) and will encourage facilitating deeper discussions or debates on this actual question.

Albert Bininachvili explains that as the largest hydrocarbon energy-producing region on the planet, the Persian Gulf has for more than half a century been a primary focus of the US foreign and energy policy. Protection of the region's vast energy resources from falling under any form of hostile control has been one of the key strategic tenets of Washington and NATO's approach to this part of the world. This task has not lost even a part of its urgency in today's geostrategic environment. Ensuring energy security interests of the Western democracies and stability in this area necessitates continued engagement, either in unilateral format or multilaterally. The Istanbul Cooperation Initiative (ICI), launched at NATO's summit in Istanbul in June 2004, is representing the main joint security arrangement and a viable mechanism for cooperation between the NATO and the GCC. To prevent the ICI be-



DR. ARŪNAS MOLIS

Head of Strategic
analysis
and research division
NATO ENSEC COE

coming irrelevant in the future, its methodology and priorities should be reconsidered- to bring it closer to NATO and ICI partners' security concerns and to help them build a unified and effective regional security architecture to address emerging threats none of the parties can fully address on their own.

Jean-Loup Samaan focuses on energy security as a possible tool to re-energize the NATO-Gulf partnership due to the increasing interest in and securitization of this topic. The author sees it as a chance to pave the way for enhanced cooperation between NATO and the Gulf monarchies. However, it cannot be achieved without overcoming traditional limitations of the ICI. The prerequisites for closer NATO-Gulf cooperation include: the strengthening of multilateral framework, involvement of Saudi Arabia and Oman that are both crucial actors in the region and ability to find appropriate ground for strategic dialogue, which could start from the discussions on the academic level with the participation of working-level officials.

Jim Krane believes that opportunities for enhanced security cooperation between NATO and the six Gulf monarchies appear to be on the increase, given America's rising energy self-sufficiency and waning appetite for entanglement in the region. Gulf Cooperation Council governments would welcome more involvement by NATO member-states in the security of oil and gas trade flows from the Persian Gulf. However, opportunities for meaningful multilateral cooperation between NATO and the GCC collective, represented by its Riyadh-based secretariat, are unlikely. Efforts to enhance ties would be most effective if NATO focused upon individual states in the Gulf, rather than the collective's faltering umbrella organization.

Steve Yetiv and Katerina Oskarsson claim that protecting the energy resources of the Persian Gulf is critical to the entire global economy and to global security. This paper shows that due to a combination of political, economic, strategic and energy factors, transatlantic energy interests in the Gulf could be best served by a transatlantic quid pro quo of the following type: The United States would plan for Gulf contingencies, thereby largely decreasing the need for an enhanced European role there. In exchange, the NATO Europe allies would relieve the United States of certain duties related to European security and would contribute more financially rather than militarily to the protection of the Gulf. Multilateral political cooperation would be enhanced to execute a more economical division of labor.

Leila Alieva reveals how the changing nature of threats, growing security interdependency, unpredictable character of international behavior of Russia, along with the events of Arab spring, urges the necessity to consider the role in protection of critical energy infrastructure of such multilateral actors as NATO. Due to their unique reserves, the Gulf countries remain key sources for the energy security of the EU and the US. The protection of the critical infrastructure can unite the perception of threats both of the producer and consumer states. Yet, the number of political controversies which may obstruct the NATO role in the Gulf should be addressed through revision of the Euro/West centric energy security concept.

Re-energizing NATO cooperation with the Gulf region. What role for energy?

Introduction

As the largest hydrocarbon energy-producing region on the planet, the Persian Gulf has for almost seven decades been a primary focus of the US foreign and energy policy. Ensuring uninterrupted and secure flow of oil to the US and its NATO allies has been one of the key strategic tenets of Washington and NATO's approach to this part of the world. Having said that, it would certainly be too simplistic to assume that the US and Western policies in the area have ever been driven by oil concerns only. Nevertheless, protection of the region's vast energy resources from falling under any form of hostile control, has undoubtedly been the major reason of the US and NATO strategic attention to the Persian Gulf.

The 21st century has brought, however, certain signs of a shift in US energy and security policy. The development of huge unconventional oil and gas resources in North America and consequent reduction in the US economy's direct dependence on the Persian Gulf crude reinvigorated a sense of greater energy independence in the minds of policy-makers and the public at large, lessening the importance of the Gulf in the public perception. It has given a new momentum to the discourse regarding the real importance of the Persian Gulf in the changing geo-economic and strategic environment and raised numerous questions about assets and liabilities of a high-level involvement in this area.

Maintaining the U.S. military presence in the Persian Gulf costs upward of \$70 billion a year. Significant contributions to the security of the region are made by the UK, France and other NATO members. The Western military presence includes more than 35,000 ground, air, and naval personnel at more than a dozen bases in and around the Gulf. Given the fact that this military potential can also be projected elsewhere, that sum is not entirely spent on defending the region. Still, it raises questions why NATO devote so much of their resources to the Persian Gulf. Would it not be more sensible to leave the oil issue to market forces and to leave politics out of it?

Significance of the Persian Gulf

Important aspect of the ongoing strategic assessment is precise evaluation of the real threats to the US and Western interests in case of drastic reduction of their influence in the area, and definition of the optimal level of security commitments either in bilateral or multilateral formats. The recent developments in Ukraine have demonstrated to the NATO European members the extent of political risks involved in excessive dependence on Russian energy supplies and convincingly proved that any downgrading of strategic significance of the Gulf energy resources is at least premature. In this juncture, energy supplies from the Gulf area and its huge potential acquire also a role of the most important durable counterbalance against Russia's strive for control of the European gas markets and use of energy as a political leverage in relations with consumers including the NATO member states and partners.

On geostrategic level the inexorable rise of China and growing economic and security importance of the Pacific Rim are moving the focus of the US and EU attention eastward, beyond the Persian Gulf, shifting the pivot of the US strategy towards Asia and raising questions about the longevity of the US and NATO security commitments in the Gulf. However,



DR. ALBERT BININACHVILI

Adjunct Professor of Political Science, Columbia University

given the ever increasing share of the Persian Gulf supplies in the China energy bowl, the US and NATO strategic planners can barely afford any significant reduction in the level of involvement in the Gulf. A consequent loss of influence in the region, and, most importantly, a leverage in relations with China would be a hardly acceptable luxury against the backdrop of the erosion of existing international order after the annexation of Crimea, and a potential risk of repetition of a similar scenario in Taiwan.

Overall, despite some signs of the downward trend, the Persian Gulf has all prerequisites to remain important to US and Western Alliance's energy and security policy in the decades ahead for a number of reasons. First, full and sustainable energy independence, based on unconventional hydrocarbons still remains problematic even for the USA, let alone the EU nations or Japan. Some experts still tend to perceive shale as if not a chimera, but a short-term phenomenon bound to recede in less than a decade, rather than a sustainable structural change. Regardless of the longevity of the shale phenomenon, rising production from unconventional sources and growing efficiency of the existing conventional wells, thanks to technological innovations, will certainly lessen US reliance on imported energy in the short and medium run, and alter the map of global energy flows significantly. Nevertheless, even though the US will rely increasingly on domestic production, crude oil is a fungible, globally priced commodity. Geography may have some effect on price, but it is highly unlikely to expect an effect witnessed in the natural gas sector, where unlike a global and unified oil market, we have a compendium of detached regional markets with independent price dynamics. Consequently, although the US may rely less on the oil deliveries from the Gulf area, making up now less than ten per cent of total US consumption, and even allocate a part of domestic LNG production for export to its European NATO allies, the US and the EU economies will continue to remain vulnerable to the repercussions of any events in the Middle East that disrupt production and thereby drive the global prices up.

Indeed, the regional policy challenges and associated risk of energy disruptions may become more acute in the years ahead. In addition to the lingering and unresolved problems – such as the Arab-Israeli conflict, Iranian nuclear program and the threat of the nuclear proliferation, Tehran's ambitions for the regional supremacy, instability in Iraq and growing sectarian violence - the region is still in the midst of a major upheaval that began with the wave of the Arab Spring. The implications of this ongoing political process for the regional balance of power and global energy security are still unclear, but are bound to be disruptive.

Istanbul Cooperation Initiative

Thus, the Istanbul Cooperation Initiative (ICI) remains a major tool to advance the cooperation between NATO and the Gulf countries, and guarantee regional stability and global energy security. Four out of six members of the GCC (Bahrain, Kuwait, Qatar, UAE) are members of the ICI. Saudi Arabia and Oman, have not joined the ICI, but conduct a regular political dialogue with NATO. The ICI focuses on intensifying practical cooperation with the states of the Gulf Cooperation Council (GCC) in areas such as:

- 1) Defense transformation and planning
- 2) Enhancing interoperability
- 3) Anti-terrorism cooperation and intelligence sharing
- 4) WMD counter-proliferation
- 5) Border security and civil emergency planning

At first sight, the political environment of the ICI looked smooth and favorable. Cooperation in the ICI has involved participation in actual NATO operations. Qatar and the UAE took part in the NATO air campaign against Libya (Operation Unified Protector) and played a key role in training the rebel forces in Libya while the UAE and Bahrain participated in the Inter-

■ **Reflecting the similar vision of the Obama administration William Burns, the US Deputy Secretary of State, has recently noted: "While some see our Asia rebalance as a turn away from the Middle East, the exact opposite is true: the U.S. and the Gulf both have an increasing stake in the stability and prosperity of the Asia-Pacific – the most dynamic part of the global economy and the biggest consumer of Gulf oil".**

national Security Assistance Force (ISAF) in Afghanistan. Qatar also hosted the NATO Combined Air Operations Center (CAOC) for air space management on its territory. However, from the start, NATO encountered several obstacles.

Obstacles/ challenges to ICI

First, Saudi Arabia and Oman, which account for approximately 70% of the Gulf countries' defense expenditures, refrained from full membership in the ICI. Caution prevailed in Oman's posture towards NATO. The popular narrative in the Middle East portrays the ICI as a NATO-GCC alliance against Iran. This would be an embarrassment for Muscat, which traditionally aims to maintain good political relations with Tehran, partly as a sign of appreciation for Iran's help in the suppression of insurgency in the province of Dhofar in the 1970's. In the case of Riyadh, such a narrative is less unsettling. But Saudi Arabia, being the regional powerhouse, did not want to be put on a par with small Gulf sheikhdoms that rely heavily on external powers for their security. Riyadh does not seem to be prepared to accept anything less than a custom-tailored, one-on-one pattern of formal relations with NATO that would underline the key role of the Kingdom in the GCC and the region.

The second obstacle to ICI's advance is its failure to "multilateralise" its process. While NATO from the beginning approached the region as a multilateral organization, ICI was essentially a bilateral program applied to GCC states individually. The Gulf members of the ICI (Kuwait, UAE, Qatar, and Bahrain) expressed their preference for a bilateral framework, rather than a multilateral one. They were willing to engage with NATO, but on their own. Not collectively. The third obstacle is the division between the Gulf monarchies on crucial regional matters further complicated the situation. Qatar, still supportive of the ousted Muslim Brotherhood, remains at odds over Egypt with other GCC states, that extended support to the military. While all Gulf states have taken an anti-Damascus stance, each country adopted different strategy and cultivated different interlocutors in the Syrian opposition. To cope with regional threats, Saudi Arabia, supported by Bahrain, and, in lesser extent, by Kuwait, promoted greater GCC unity, especially in the security and foreign policy realms. Other states, notably Qatar and Oman viewed such a move with skepticism, out of concern for their sovereignty. The prevalence of bilateral defense agreements among Gulf countries has led to few collective priorities, inconsistent military-to-military relations, and unnecessary redundancies. Consequently, policy-makers from Gulf countries tended to ignore their neighbors' agenda with NATO, and formulate their own strategies without envisaging a precise regional dimension.

Recommendations for ICI

To resolve this host of problems and to prevent the ICI becoming irrelevant in the future, its methodology and priorities must be refined- to bring it closer to NATO and ICI partners' security concerns and to help them build a unified and effective regional security architecture to address emerging threats that none of the partners can fully address on their own.

The first imperative is to extend the bilateral nature of the ICI and make the multilateral track its core arrangement. This could be developed by intensifying a strategic dialogue between ICI partners. Additionally, Saudi Arabia and Oman could be able to attend it as special observers with a prospect of full membership. Several issues in particular could be useful areas for increased NATO-GCC cooperation. The first is missile defense designed to reduce GCC states' vulnerability to eventual nuclear blackmail. Enhanced information sharing between Gulf states and interoperability between their disparate capabilities are also of extreme importance. The U.S.-GCC Strategic Cooperation Forum (launched in 2011) that includes an

annual meeting of defense ministers may represent a good example to follow.

Second, the Iranian issue should not be treated casually, on a reactive, but rather on a regular pro-active basis. The Iran-threat perception in the Gulf has to be considered with due attention and circumspection. But here too NATO could play a key role in preventing unintentional escalation and carefully avoiding a Hobbesian trap. Eventually, NATO and GCC countries will have to find a more or less formal framework to shape some kind of deterrence dialogue with Iran. Though it might seem a wishful thinking, there is nothing in theory that prohibits Iran from participating in ICI discussions. As the biggest regional power Iran should make a part of any regional security mechanism to make it credible and viable. Opening a dialogue with Tehran in various formats, including the ICI platform, would be a positive signal to assuage the Islamic Republic's concerns that the ICI is just another Western attempt to isolate Iran and deprive it of a legitimate say in regional affairs. This new channel of communication would also contribute to the better understanding of the IRI's stance and remove any basis for the standing Tehran's accusations of the ICI as a discriminatory and non-inclusive pact, obsessed with the military aspect of security and hopelessly lacking a holistic approach to it. Additionally, it may help to reduce the Saudi suspicions about the nature of eventual US-Iran rapprochement and concerns that Riyadh and its allies' interests may be circumvented.

However, several political issues would have to be cleared up to pave the way for such a dialogue: the nature of Iran's nuclear program, the preparedness of both NATO members and Gulf partners to engage with Iran and the compatibility of such an initiative with the current sanctions regime. But in the long run, a dialogue of this kind could provide a framework to discuss confidence-building measures, design safety valves and eventually help to avoid the risk of Hobbesian miscalculation. Needless to say, the importance of such a dialogue from the energy security perspective can hardly be overestimated.

Third, it is clear that energy security is and will undoubtedly remain one of the most promising areas for expansion of the NATO-GCC cooperation. The GCC's critical role in managing global oil supplies and prices, thanks first of all to the "swing" capacity of the Saudi Arabia, remains vital to the economic interests of the US and Western Democracies. As major energy exporters and consumers, both the GCC and the EU states share deep interest in security of supply lines. Enhancing maritime security could open up therefore another avenue for potential cooperation. The GCC Maritime Operations Center plays an important role in improving information-sharing and coordination on security in the Strait of Hormuz – a strategic choke point through which one-fifth of the world's oil passes every day. It should be also noted, that Gulf producers, especially Saudi Arabia are involved in infrastructure projects (pipelines and terminals, like Yanbu etc.) that are intended to reduce their reliance on the Strait of Hormuz as an export outlet. Additionally, vulnerability of the critical Gulf energy infrastructure to the cyber threats, as exposed by the 2012 attacks targeting Saudi Aramco, has added cyber-security dimension to the list of areas where NATO might be instrumental in providing the Gulf nations with efficient support.

Conclusions

Despite existing differences in strategic vision and approaches to the regional issues with the GCC, the US and NATO remain unwaveringly committed to the security of the Gulf. The US and NATO members' presence increased in the size and number of military installations since 2000. Withdrawal from Afghanistan is "not a retreat from the region at all," and the US is keen to keep allegiance to all commitments, including those that require "boots on the ground." The sheer volume of oil flowing from the Persian Gulf stipulates enormous strate-

gic interest of the US and the NATO to this area. For more than half a century a central drive behind the US military strategy, supported by the NATO allies, in the oil-rich region has been the denial of control of such vast resources to powerful global and regional contenders who would thereby become even more powerful and thus more threatening. This task has definitely not lost even a part of its urgency in today's geostrategic environment. The globalization of the oil market makes it irrelevant where the U.S. and its allies procure their oil from; rather the significant fact is the large share of Persian Gulf oil in world production. Protecting uninterrupted flow of crude from the Gulf may be less of a direct economic imperative in future, but Washington and its allies cannot insulate themselves entirely from the impact of events there. Ensuring stability in the Persian Gulf will logically necessitate continued engagement, either in unilateral format or multilaterally. US determination to play a global role and NATO's assertiveness on the theaters of action far beyond its traditional milieu, simply exclude disengagement from such a crucial area as a viable option, ensuring a high place of the Persian Gulf on the Washington's and Brussels' strategic agenda for decades to come.

Putting energy security on the agenda of NATO Gulf Partnership



JEAN-LOUP SAMAAN

Researcher, Middle East Faculty, NATO Defense College.

The year 2014 marks the tenth anniversary of NATO's partnership with the Gulf region, the Istanbul Cooperation Initiative (ICI). Created during the Summit of Heads of State that took place in the Turkish city in 2004, the ICI was originally conceived as a first step toward enhanced cooperation between the Atlantic Alliance and the members of the Gulf Cooperation Council. In the final Summit Declaration, the Heads of State asserted that complementing the existing Mediterranean Dialog, the ICI was *"offered by NATO to interested countries in the region, starting with the countries of the Gulf Cooperation Council, to foster mutually beneficial bilateral relationships and thus enhance security and stability"*, by focusing *"on practical cooperation where NATO can add value has experienced"*.

A decade of partnership naturally calls for an assessment of its achievements. However, results have been modest, not to say disappointing. True, some concrete achievements are worth mentioning: the participation in 2011 of the United Arab Emirates and Qatar in Operation Unified Protector in Libya, or the appointment, the same year, of the first UAE Ambassador to NATO, which represented an unprecedented and innovative way to strengthen the partnership. But on the other side, NATO's engagement faced various shortcomings. First, Saudi Arabia and Oman, two key players in the regional game, refrained from becoming members of the ICI and maintained cautious distance from NATO's activities in the Peninsula.

Oman did not completely reject cooperation with NATO and over the last few years, there have been numerous indications that the Sultanate favoured closer relations. However, caution and balance tend to prevail in Muscat's posture towards NATO. The popular narrative in the Middle East that portrays the ICI as a NATO-GCC alliance against Iran is an embarrassment for Oman which aims at maintaining good political relations with the rulers in Tehran. In the case of Riyadh, such a narrative is less unsettling but it has been argued that Saudi Arabia, being the regional hegemon, did not want to be put on a par with the small Gulf kingdoms that rely heavily on external powers for their security. In other words, if Saudi Arabia was to establish formal relations with NATO, they would have to be in a tailored, one-on-one framework.

Second, NATO failed to convey a clear message to Gulf partners on its long-term objectives. Although the initial documents state counterterrorism, counterproliferation of weapons of mass destruction and energy security as key priorities, Gulf representatives frequently wonder on the importance given to these goals. There have been cases of effective cooperation in the field of military training and education but these did not translate into the convergence of strategic agendas.

Specifically, ICI partners see the role of Iran in the Gulf as their primary security threat and envision their foreign policies through this lens. As a consequence, Gulf leaders are primarily interested by potential NATO security guarantees that would complement those that have already been signed with Western powers (the US, the UK and France). But such demands put NATO at odds with GCC expectations as the Alliance never contemplated a role on the Iranian issue. This eventually leads to disappointment from Gulf decision-makers that depict NATO's engagement as undecided. One high-level official in Kuwait went as far to tell us *"in the end the ICI looks like a partnership without a cause"*.

As we enter a new decade for the ICI, could these negative perspectives be overcome? This failure is paradoxical, even troubling, when one considers the genuine strategic relevance of the ICI. Indeed the Gulf is, and, for the near future, is likely to remain a critical region for NATO. It encapsulates all the major security challenges the Alliance aims to tackle: maritime security in the Strait of Hormuz, the risks of proliferation of nuclear weapons and their delivery systems with the associated current Iranian conundrum, as well as state failure and, in Yemen, its by-product, terrorism. Moreover, in times of financial austerity in NATO countries, the partnership approach increasingly appears the most appropriate way to share the burden between Allied members and local partners, thus creating a pragmatic division of labour.

In that perspective, the field of energy security constitutes one potential area of cooperation worth exploring. In recent years, political interest for this field has grown in earnest in the NATO circles due to the rising “securitisation” of the topic. First, in recent years, military decision makers have been confronted to an unexpected rise of piracy activities, mostly in the Gulf of Aden, because of the collapse of Somalia. For the year 2008, insurance costs to ship cargo through the Gulf of Aden soared from \$ 900 to US\$ 9 000. This had tremendous economic implications considering that more than 16 000 ships per year transit through the area (representing 12 percent of global maritime trade and 30 percent of world crude oil shipments). The rise of piracy in the Indian Ocean prompted the deployment of NATO operation Allied Provider.

Piracy is not the unique threat to energy security. Naval competition in the Persian Gulf and the risk of disruption of the sea lanes constitute another security challenge as well. The development of access-denial capabilities (cruise and short-range ballistic missiles, naval mines) by countries like Iran to deter NATO or GCC forces in the Strait of Hormuz are phenomena that are of common interest. According to the United States Energy Information Administration, 17 million barrels of oil passed through the strait every day in 2011, or about 35% of all seaborne traded oil. As of today, the Iranian Navy remains poorly equipped, most of its ships having been purchased during the Shah’s era in the seventies. Confrontation between the US Navy and the Iranian Navy (as well as the Pasdarans’ own Navy) is certainly conceivable and should not be dismissed in terms of contingencies. Historically, the International Energy Agency found that there have been 17 disruptions of oil supplies involving more than half a million barrels a day in lost production over the last 30 years. Out of these 17 cases, 14 took place in the Middle East. As a consequence, the stability of the Gulf remains eventually a shared interest for NATO and Gulf partners.

If energy security is a relevant topic for the ICI agenda of the ICI, NATO’s role itself in this field is still uncertain. Back in 2006, Jamie Shea, then Director for Policy Planning at NATO, was suggesting in the NATO Review, “NATO could establish a permanent monitoring and assessment mechanism to keep an eye on developments related to energy security. This could involve regional political consultations with Allies and Partners, based on joint International and International Military Staff analyses and intelligence reports.”

In the case of NATO Gulf partnership, this initiative could be implemented at the level of political consultations. One way could be the designing of a NATO-Gulf strategic dialogue that would specifically include exchanges on energy security. Such venue would allow officials and experts from the Atlantic Alliance and the Gulf partners to discuss common strategic planning, including the net assessment of emerging threats and the appraisal of the naval capabilities required to counter them. This dialogue could include the conduct of a political-military exercise whose scenario would be one involving disruption of oil supplies in the Strait of Hormuz. Discussing the combination of Gulf air defense means and NATO power

projection capabilities in a contingency in the Strait of Hormuz would indeed have a real strategic meaning.

However such dialogue between NATO and Gulf partners on energy security would be effective only if NATO overcomes the past shortcomings of the ICI. The first imperative would be to extend the bilateral nature of the ICI: the multilateral track should become its core arrangement. Those Gulf countries that joined the ICI (Kuwait, UAE, Qatar, and Bahrain) expressed their preference for a bilateral framework, rather than a multilateral one (like the Mediterranean Dialogue). In other words, they wanted to engage with NATO but on their own, not side by side. But a dialogue on energy security would only make sense here if it is a multilateral endeavour.

Secondly, if NATO-Gulf partnership was to discuss seriously the issue of energy security, this would only make sense with Saudi Arabia on board. Being the powerhouse of the Persian Gulf, Saudi Arabia plays a decisive role in these matters. As mentioned earlier, Riyadh did not rule out all contacts with NATO, it has been participating openly in various NATO activities including seminars, courses and conferences. High-level visits have been organised on both sides. In June 2012, the Minister of State for Foreign Affairs of Saudi Arabia, Nizar Madani visited NATO headquarters in Brussels to discuss political cooperation with Secretary General Anders Fogh Rasmussen. The NATO Secretary General reiterated the Alliance's view that "Saudi Arabia is a key player in the region and NATO would welcome the opportunity to engage the Kingdom's government as a partner in the Istanbul Cooperation Initiative". Another actor to engage is Oman. Being on the southeast coast of the Peninsula, the sultanate has a strategically important position at the mouth of the Persian Gulf. In addition to these geographical characteristics, Oman distinguishes itself from other GCC countries regarding its diplomatic ties with Iran. The Tehran-Muscat relation remains stable and proved crucial during the winter of 2013 when the US engaged into secret negotiations with the Iranians over their nuclear program. Still, to see the Omanis changing their attitude toward NATO, it will need to evidence that the purpose is by no means the designing of a containment strategy against Iran. An emphasis on energy security as a common goal could help on these matters.

Finally if these two critical issues (the multilateral format and the participation of both Saudi Arabia and Oman) were to be solved, NATO would then have to find the proper level for a strategic dialogue with Gulf partners on energy security. A first step may be to organise discussions at academic level, between scholars of both NATO countries and Gulf partners, with a participation of working-level officials. At this stage, although political support would be needed, rushing to high-level meetings involving top decision-makers might prove disappointing. What matters right now is to gather NATO and Gulf experts to freely exchange their views and assessments on common energy security challenges and to explore potential contingencies without considering diplomatic constraints. Such initiative could be well conducted by a NATO institution such as the NATO Energy Security Center of Excellence and/or the NATO Defense College in cooperation with Gulf partners (think tanks and universities).

All in all, energy security could be a re-energizer of NATO Gulf partnership. As it matters for both sides, it could help bypassing the traditional limitations of the ICI and pave the way for improved cooperation between the Atlantic Alliance and the Gulf monarchies.

Energizing NATO cooperation with the Gulf monarchies: New opportunities under the old energy-for-security paradigm



JIM KRANE

Wallace S. Wilson Fellow for Energy Studies, Rice University's Baker Institute for Public Policy

Introduction

Time appears ripe for an energy-for-security exchange between member states of NATO and those of the energy-exporting Gulf Cooperation Council (GCC). Closer ties between the two regions could deepen Europe's involvement in the security of its energy supply, while boosting the hard security of the Gulf's Western-allied monarchies.

Converging factors make a strong case for bolstering such a partnership, given waning US interest in committing forces to the Persian Gulf, along with heightened concerns in Europe about maintaining acute dependence on Russian energy.

However, multilateral ties with NATO on behalf of the GCC are almost a non-starter, as the long-suffering EU-GCC trade talks have demonstrated. At the time of writing, relations among some GCC member states – especially Saudi Arabia and Qatar – were plumbing new lows. In the medium term at least, NATO would be advised to strengthen its ties with the region on a bilateral basis, given the waning prospects for meaningful Gulf integration.



Geopolitical shift and energy-security synergies

The GCC countries' external defense relationship is dominated by the United States, which has played the role of external protector of Saudi Arabia since 1945 and for the other five since the British departed the region in 1971. US involvement in regional security increased dramatically upon the Iraqi invasion of Kuwait and the US-Iraq Gulf War in 1991, after which individual Gulf states concluded bilateral military alliances with Washington. The contents of these agreements are classified but Katzman describes them as providing bases for US forces; US advice, training, and joint exercises; lethal and non-lethal equipment pre-positioning; and arms sales. (The Saudi-US agreement is more limited.) The pacts do not include security guarantees that formally require the United States to come to the aid of any of the Gulf states if they are attacked, nor is the United States given automatic permission to conduct military operations from Gulf facilities; it must obtain permission on a case by case basis.

In practice, this US “security umbrella” has proven enormously successful in providing stability and external legitimacy to the six monarchies. Stability, in turn, allowed these states to develop economically while ensuring their exports of oil and gas moved safely through the Strait of Hormuz and kept world markets supplied.

The US-Gulf relationship has been based broadly on this oil-for-security trade. There are other reasons behind close US relations with the Gulf, including the monarchs’ pro-Western tilt during the Cold War, partly based on aversion to Soviet atheism and Communist advances in the region, as well as Saudi Arabia’s capacity to reduce volatility on global oil markets by increasing exports when oil output elsewhere was disrupted. The willingness of the Saudis to coordinate its production with US plans to impose sanctions (Libya, Iraq, Iran) and invasions (Iraq) has also bolstered the alliance.

However, the drivers behind what was a relationship of mutual dependence are eroding in ways that suggest an opportunity in the Gulf for NATO and Europe, or indeed for the large Asian powers which now purchase most of the region’s hydrocarbon exports.

In this context, perhaps the biggest driver of change is the transformation of the US energy landscape as a result of breakthroughs in hydraulic fracturing and horizontal drilling. In less than a decade, the onset of US shale oil and gas production has led to a substantial decline of US demand for imports. Exports of the GCC are now of less direct relevance for US energy security. Of course, America still depends on global markets for half its oil imports and – more importantly – for price formation. Since international markets depend so heavily on Gulf supply, America remains indirectly tethered to the region due to its role in setting prices of these fungible commodities.

However, the dependence of the Gulf monarchies upon the United States has not diminished in the same manner. The GCC states remain acutely reliant on Washington’s roughly 35,000 troops in the region, arrayed on land bases in all but Saudi Arabia (where US trainers operate) and at sea. Several regional elites have expressed fears that rising US energy independence puts these protective security alliances at risk. While Washington has made clear that it remains committed to its allies in the region and to the free flow of oil from the Gulf, Gulf-based observers cannot help but notice signs that point in the other direction.

These include US reluctance to intervene in Syria and Libya, the US pivot toward Asia, US defense cutbacks and troop reductions in the Middle East and Afghanistan – including the departure of one Gulf-based carrier strike group – and pullouts from Iraq and Afghanistan, the increasing number of strategic and diplomatic divergences with Saudi Arabia, and especially the budding US rapprochement with Iran. The normalization of US-Iranian relations poses a special threat to the Gulf regimes, given Iran’s prior dominance of the Gulf under its US-allied shah.

In fact, the new circumstances taking hold in the United States revive disturbing memories of the strategic withdrawal of a prior guarantor of security, Britain. In 1966, then Prime Minister Harold Wilson announced Britain’s plans to pull out of colonial holdings “east of Suez” with the aim of trimming expenses amid postwar austerity. At the time, ruling sheikhs within the smaller monarchies, then in final stages of preparing for independence, implored Britain to remain. Rulers of Abu Dhabi and Dubai offered to bankroll the British presence with their newfound oil revenues. Britain declined.

In a demonstration of the vagaries of weak state survival among competing hegemonies, Iran swooped within hours of the British pullout to seize three islands that had been occupied by the UAE. Few observers at the time expected the emerging Gulf monarchies, with their

minuscule populations, meager militaries and gargantuan oil reserves, to endure as independent states. Most assumed they would be swallowed up by a neighboring power. For several reasons, these states persisted and prospered. One contributing factor was the United States' gradual assumption of Britain's former protective duties. The US opened embassies, and, in Bahrain, took control of a British naval base which became the headquarters for the US Navy's Fifth Fleet. In 1990, when Iraq did invade and try to annex Kuwait, the United States unwound Iraq's occupation and restored the al-Sabah monarchy. Since then, America has maintained a large presence on several permanent bases in the region.

Although most Gulf monarchs disagreed with the 2003 invasion of Iraq, the presence of even more US forces provided additional hard security that allowed these states to focus on economic expansion and foreign investment. Ensuing stability enabled major successes like Dubai's logistics and tourism sectors and Qatar's LNG exports.

With the US military presence, and perhaps its strategic interest, now on the wane, Gulf elites worry that another security vacuum could disrupt their precious stability. In this context, an opening for NATO presents itself.

An opening for NATO

For its part, NATO has already taken a step in this direction. In 2004, NATO began to increase cooperation with the GCC under the Istanbul Cooperation Initiative (ICI). The ICI extended the prospect of practical bilateral security cooperation to Middle Eastern states not already part of NATO's Mediterranean Dialogue. The six GCC members took part in talks, and to date all but Saudi Arabia and Oman have acceded as members. Under the ICI, NATO and the four members – Bahrain, Kuwait, Qatar and the UAE – have agreed to cooperate on issues of counterterrorism and nuclear proliferation. Deepened cooperation on force interoperability, border security and emergency management are in the works. The pact's wording appears to leave open the possibility of maritime protection and securing export and trade routes, but does not specifically mention it.

The upheaval in the global energy landscape presents an opening to Europe and NATO. Like Asia, NATO and Europe depend on Gulf oil and gas. And this source of supply has just risen in strategic value given the recent spike in tensions with Russia and the priority of reducing dependence on Russian supply. The GCC countries also represent growing markets for European exports, including of arms. But, as is the case with Asian importers, energy security ties have not been reciprocated by the same level of strategic interest in the states where supply originates. The chief European military presence in the region consists of Britain's small troop presence in Oman and France's modest air force basing in Abu Dhabi.

One reason that increasing security cooperation would be attractive in the Gulf is the chronic weakness of GCC militaries. Military development has been undermined by political structures and small citizen populations. Under the implied social contracts in these states, monarchs enjoy political legitimacy derived from support of their citizens, but this support comes at a steep price. Governments are widely understood to be forbidden from "extraction" from society, which includes imposing taxes and conscripting citizens into armed forces.

Thus Gulf militaries are unable to instill an ethic of collective sacrifice unless they allow meaningful increases in political participation. Hence many rank and file troops are foreigners whose allegiance is questionable. Gulf militaries are also undermined in ways meant to safeguard regimes from internal threats. Rulers create redundant forces that cannot domi-

nate alone, and leadership posts tend toward trusted members of the ruling family. The focus, writes Hertog, is on patronage rather than efficiency, and high tech weaponry rather than training.

These factors should shape any partnerships NATO deepens within the Gulf. Cooperation should focus on external defense and challenges from regional powers, rather than regime protection from domestic political or sectarian opposition, even when that opposition is framed as external, i.e. “Iranian” elements or the Muslim Brotherhood. Less controversial areas for cooperation could arise in preserving shipping through the Strait of Hormuz, to include demining and countering asymmetric anti-shipping tactics; securing critical infrastructure and export facilities; and responding to spills or contamination of the Gulf from export terminals or nuclear power plants, since the Gulf supplies most of the region’s drinking water.

The practicalities of the GCC as partner

Given the security needs of the Gulf and the energy needs of Europe, one would expect to find opportunities to cooperate. On the one hand, the US’ increasing energy self-sufficiency calls into question the longevity of its single-handed commitment to policing the Gulf. On the other, the increasing animosity between Europe and Russia calls into question the security of Russian energy supply and the wisdom of maintaining current levels of import dependence on a strategic competitor.

However, opportunities and probabilities are two different things. While European interests can be collectively embodied in multilateral institutions like NATO and the EU, those of the Gulf monarchies are not found to the same extent within the GCC. Any increase in strategic cooperation between NATO and these Arab monarchies will probably have to take place at an individual, rather than multilateral level, and with the support of NATO’s largest member, the United States.

Thinking Out of the Box on NATO Out of Area

Few goals are more important for the global economy than ensuring the free flow of oil and liquefied natural gas (LNG) from the Persian Gulf. Failure to do so could stunt global economic growth and cause much human suffering. World dependence on oil and LNG is projected to increase in the future, with the Persian Gulf serving as the principal source of supply to meet rising demand over the next two decades (Figure 1). NATO and its individual member countries cannot escape this central question: how can this region's critical energy supplies be best protected at reasonable cost? This paper shows that due to a combination of political, economic, strategic and energy reasons, the transatlantic energy interests in the Gulf could be best served by a transatlantic quid pro quo of the following type: The United States would plan for Gulf contingencies, thereby decreasing the need for the Alliance to increase its involvement there. In exchange, the NATO Europe allies would relieve the United States of certain duties related to European security and would contribute more financially

Location/Region	Share of Total	Reserves-to-Production Ratio (Years)
North America	13.2%	38.7
South & Cent. America	19.7%	*
Persian Gulf	48.1%	78.1
Asia Pacific	2.5%	13.6
European Union	0.4%	12.1
Former Soviet Union	7.5%	25.2
Africa	7.8%	37.7

rather than militarily to the protection of the Gulf.

To be sure, such compensatory efforts are not without precedent. European compensation for American intervention in the Gulf was considered in early 1980,¹ and during the Iran-Iraq war West Germany increased its naval presence in the Mediterranean to cover for U.S. deployments to the Gulf.² To be clear, the purpose here is not necessarily to advance the option described above, but to introduce it as an alternative to conventional wisdom which posits that unless America's European allies shoulder a greater burden in defending common security interests outside Europe, NATO's future could be less bright. Indeed, as U.S. Republican Senator Richard Lugar infamously argued in 1993, NATO either goes "out-of-area or out of business."³ However, the post-Afghanistan and post-Iraq political context, exacerbated by economic problems on both sides of the Atlantic, necessitates a rethinking of ways to protect transatlantic energy interests in the Persian Gulf, making a more flexible, quid pro quo NATO arrangement an option to consider.

Political Factors

Whether NATO should play a role in protection of Persian Gulf's energy supplies is in many respects the question of NATO's willingness and ability to conduct out-of-area operations far beyond the transatlantic domain. Although NATO's new Strategic Concept adopted at the Lisbon Summit in 2010 envisages a continued role for NATO out-of-area, a combination of war fatigue, public opposition, and diverging perspectives and foreign policy outlooks within the Alliance, may pose a significant stumbling block to a unified and effective trans-



DR. STEVE A. YETIV

Louis I. Jaffe Professor of International Relations, Old Dominion University, U.S.



KATERINA OSKARSSON

Department of International Studies, Old Dominion University, U.S.

Figure 1: Concentration of Proved Reserves of Oil

Source: BP Statistical Review of World Energy, June 2013.

1. "Defense Planning Committee Financial Communique," NATO Review, 1980, p. 31-32.
2. "W. Germany Steps in to Support US Naval Duties," Jane's Defense Weekly, August 15, 1980, p. 270.
3. Quoted in Allison Good, "The FP Survey: The Future of NATO," Foreign Policy, May 14, 2012.

atlantic approach to the Persian Gulf at the Alliance level.

Indeed, polls suggest that mustering sufficient public and governmental support for NATO's enhanced role in the Gulf in the post-Iraq and post-Afghanistan context could be challenging. The 2013 Transatlantic Trends survey for instance reveals that many Europeans perceive intervening in Afghanistan as a mistake.⁴ This war fatigue has been further evident in regard to Syria, with 72% of Europeans opposing military involvement in the country's civil war.⁵ A political consensus about enhancing NATO's role in the Persian Gulf could be further hindered by divergent views on the use of force across the Atlantic. For instance, while 68% of surveyed Americans view war as sometimes necessary to obtain justice, only 31% of Europeans shared such a view in 2013.⁶ Only the United Kingdom with 59% came close to the American view.⁷

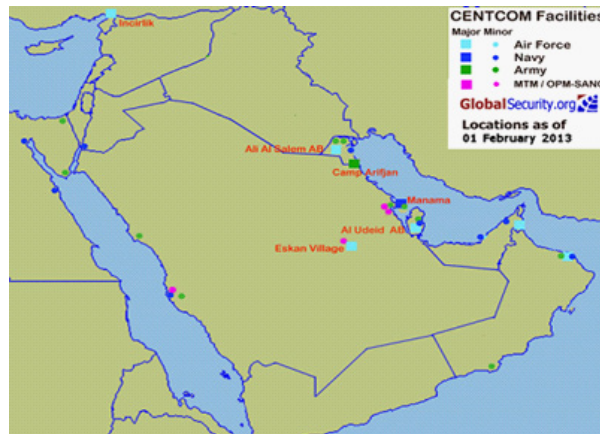
Economic Factors

As NATO countries' defense budgets continue to shrink, effective allocation of scarce resources among competing objectives becomes increasingly critical. On that account, and from a comparative advantage standpoint, a case can be made that the Europeans are best able to protect European security, whereas the United States is best suited to protect Gulf security upon which the production and free flow of oil and LNG rely.

This is because the U.S. has maintained its presence in the Gulf for decades to protect the free flow of oil chiefly (but also to a lesser extent LNG), from a variety of threats which include the closure of the narrow Strait of Hormuz – the bottleneck through which around 20% of the world's oil flows each day. Indeed, since 1979, the United States has massively improved its defense posture in the Persian Gulf by developing, and over time improving, rapid deployment forces, intelligence and communication capabilities, military access arrangements with local regimes and a regional infrastructure for U.S. forces.⁸ As U.S. Defense Secretary, Chuck Hagel noted in December 2013, the U.S. has "a ground, air and naval presence of more than 35,000 military personnel in and immediately around the gulf"⁹ (Figure 2.).

Figure2: U.S. Central Command (CENTCOM) Facilities in the Persian Gulf

Source: GlobalSecurity.org, February 2013.



The United States cooperation with the Arab Gulf states has grown exponentially, corresponding with increased threats of a nuclear Iran and terrorism – both of which can destabilize the region, putting production and transit of region's energy supplies at great risk. For this reason, and in spite of political pressure on America's commitments overseas, the

4. Transatlantic Trends: Key Findings 2013, The German Marshall Fund of the United States, 2013, p. 34.
5. Ibid., p.31.
6. Ibid., p. 35.
7. Ibid., p. 35.
8. Steve A. Yetiv, *The Absence of Grand Strategy: The United States in the Persian Gulf, 1972-2005*, (Baltimore: John Hopkins University Press, 2008).
9. Ernesto Londoño, "Visiting service members in Bahrain, Hagel vows continued U.S. presence in Persian Gulf," *The Washington Post*, December 06, 2013.

United States has embarked on a series of major security cooperation initiatives in the region geared towards a variety of contingencies. These have included deploying U.S. special forces and mine units to the Gulf, increasing the number of multilateral military exercises, and working with the GCC states to enhance their deterrence and defense capabilities.¹⁰ Illustratively, the U.S. arms agreements with the GCC states have grown more than eight-fold between 2004-2007 and 2008-2011.¹¹

In addition to conventional military cooperation and longstanding training programs, changes in the regional security environment have led to new collaborative initiatives, including Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR) the U.S. offers to the Gulf states. Furthermore, in light of the U.S.-Saudi technical cooperation agreement concluded in 2008, the U.S. and Saudi Arabia have expanded cooperation in areas such as critical infrastructure protection, including oil infrastructure, and border and maritime security. Through the Saudi-funded Office of the Program Manager under the Kingdom's Ministry of Interior (OPM-MOI), the U.S. provides embedded advisors to key industrial, energy, maritime, and cyber security offices within the Saudi government.¹² The U.S. Military Training Mission also oversees a Saudi-funded training program for a Saudi Facilities Security Force which protects key energy infrastructure locations in the Kingdom.

Though NATO could complement U.S. efforts outlined above, this might not yield significant value added to justify the cost. European deployments would divert resources from European security efforts in its immediate neighborhood, where they could yield more security per dollar. This is particularly the case in the context of the 2014 Ukrainian crisis and the possible resurgence of the Russian threat. Moreover, rather than bolstering NATO's role in the region, it is more strategically and economically prudent to have oil rich Arab Gulf states, whose stakes in Gulf security is at least as high as that of the West, increase their role in countering regional threats. On that account U.S. Defense Secretary Hagel vowed in December 2013 in Bahrain that "Going forward, the [U.S.] Defense Department will place even more emphasis on building the capacity of our partners [in the Gulf] to complement [U.S.] strong military presence in the region."¹³

In brief, given the highly developed American role in securing the uninterrupted flow of region's energy supplies to the global market, one might argue that it would be economically impractical for the Europeans to plan for an enhanced role in, or the defense of, the Gulf, particularly if America is doing so as well. The planning itself, regardless of actual deployment, would divert resources from European security. Another aspect is opportunity cost. If NATO enhanced its role in the Gulf by, for instance, positioning its vessels there, its capacity to perform duties elsewhere would be diminished.

NATO Europe Defense Cuts

Furthermore, as the economic crisis continues to have a significant impact on NATO forces, the question of the viability and desirability of NATO's enhanced role in the Gulf becomes even more pronounced. In 2013, only three of NATO Europe countries spent the NATO goal of 2% or more of Gross Domestic Product on defense.¹⁴ Current and planned defense cuts in the United Kingdom, France, Germany, Italy, and Spain will in particular impact NATO's Europe's ability to deploy and sustain power over long distances.¹⁵ Echoing these concerns, Ivo

10. Anthony H. Cordesman, Robert M. Shelala II and Omar Mohamed, *The Gulf Military Balance Volume III: The Gulf and the Arabian Peninsula* (Washington D.C.: Center for Strategic & International Studies, September 4, 2013), p. 8.

11. *Ibid.*, p. 34.

12. Christopher M. Blanchard, *Saudi Arabia: Background and U.S. Relations*, (Congressional Research Service Report for Congress, RL33533, February 12, 2014), p. 6.

13. Londoño, "Visiting service members in Bahrain, Hagel vows continued U.S. presence in Persian Gulf."

14. NATO Press Release 028 "Financial and Economic Data Relating to NATO Defence," February 24, 2014.

15. See John Gordon, Stuart Johnson, F. Stephen Larrabee and Peter A. Wilson, "NATO and the Challenge of Aus-

Daalder, then-U.S. Ambassador to NATO, and James Stavridis, former NATO's Supreme Allied Commander Europe, warned in 2012 "if defense spending continues to decline, NATO may not be able to replicate its success in Libya in another decade."¹⁶ Similarly, NATO's Secretary General, Anders Fogh Rasmussen, cautioned in 2011 that "if European defense spending cuts continue, Europe's ability to be a stabilizing force even in its neighborhood will rapidly disappear."¹⁷ These realities further suggest that NATO's presence in the Gulf could reduce European efforts to ensure security interests in and around Europe.

Strategic Factors

Strategic coordination in an option involving NATO in future Gulf security operations would require that the allies have closely shared objectives, a similar approach, and also an effective level of military coordination and interoperability. However, as it is often a case, each country defines its commitment according to its domestic imperatives, military capabilities and specific regional interests. Therefore, the transatlantic quid pro quo option offers the advantage of simplicity. While U.S. forces would have to coordinate security operations among themselves, they would not have to do so to any great measure with the forces of NATO.

In fact, with a few exceptions, America's European allies lack the power projection capabilities to contribute meaningfully to the sustained defense of the Persian Gulf against regional threat that could disrupt the energy flow. Since the First Gulf War, NATO has made progress in transforming its military forces, fostering greater interoperability, and enhancing out-of-area power projection capabilities, but defense analysts largely agree that most country defense plans and budgets reflect slow progress and "the inability to move and sustain more than a small fraction of national forces much beyond national boundaries."¹⁸ Also, as illustrated in Afghanistan, a tendency of some NATO countries to impose the restrictions on when, where, and how their military forces may be used, known as 'national caveats', could pose a challenge to smooth coordination in the Gulf. General Bantz J. Craddock, former NATO's Supreme Allied Commander Europe noted that in Afghanistan, NATO allies imposed more than 70 restrictions, observing that the caveats were "a detriment to effective command and control, unity of effort and...command."¹⁹

Energy Factors

The U.S. energy revolution has triggered debate about the prospect of the U.S. commitment to guard energy interests in the Gulf. Indeed, Europe has observed the energy boom with trepidation, fearing that the U.S. may reduce its military presence in the Gulf. However, for the foreseeable future such fears are misplaced. First, despite the increase in domestic oil production, the U.S. oil imports from the Gulf have been on a rise in recent years, accounting for more than 25% in 2013.²⁰ Second, since oil is a global commodity and the U.S. is integrated into the world economy, any oil supply disruption and ensuing price shock would hit the U.S. (and its trading partners) hard even if it did not import a single drop of oil from the Gulf. Furthermore, U.S. Defense Secretary Hagel reinforced the U.S. commitment to Gulf security in May 2013, noting that "A robust U.S. military presence in the Persian Gulf has been a priority for the department [of defense]. Even as we [U.S.] put our presence on a

terity," *Survival* 54, no. 4 (August/September 2012): 121-142.

16. Ivo Daalder and James Stavridis, "NATO's Victory in Libya," *Foreign Affairs* 91, no.2 (2012).

17. Anders Fogh Rasmussen, "The Atlantic Alliance in Austere Times," *Foreign Affairs* 90, no. 4, (July/August 2011).

18. Anthony H. Cordesman, "Rethinking NATO's force transformation," *NATO Review*, Spring 2005.

19. Arnaud de Borchave, "Commentary: NATO Caveats," *UPI*, July 10, 2009.

20. U.S. Energy Information Administration

more sustainable long-term footing, our capabilities in the region will far exceed those that were in place September 11, 2001. Our defense relationships [with the regional countries] are also much stronger and far more robust and sophisticated.”²¹ Finally, the possible resurgence of the Russian threat may force NATO European members to increase their energy imports from their Caspian and North African ‘neighborhoods’, in addition to the Gulf. Given the massive U.S. involvement in the Gulf, the transatlantic energy interests would be better served if NATO Europe focuses on these areas instead.

Conclusion

Analysts, diplomats and scholars have a strong propensity to search for areas of NATO cooperation and that makes sense. However, it is also important to do more to think outside the box and not just out-of-area. On that score, a valid quid pro quo would decrease U.S. responsibilities in areas where European nations have comparative advantage. In addition, by decreasing their financial expenditure on enhancing NATO’s role in the Persian Gulf, which would otherwise include higher spending on force projection and deployments, NATO would have greater financial means to support U.S. military efforts there in the event of future regional conflicts posing threat to energy supplies.

To be sure, the quid pro quo option does not suggest less cooperation between the transatlantic allies, but rather an alternative division of labor within the Alliance. Finally, although the idea of decreased U.S. responsibilities for European security may not resonate among NATO European allies, as Norwegian Defense Minister Ine Eriksen Søreide aptly noted during her visit to the United States in January 2014, “We cannot expect the U.S. to invest in European security when we are not willing to make necessary investments ourselves.”²²

21. Remarks by U.S. Defense Secretary at the Annual Washington Institute for Near East Policy’s Soref Symposium (Washington DC, May 09, 2013).
22. Ine Eriksen Søreide, “Writing NATO’s Next Chapter: The View from Norway,” Speech delivered at the Center for Strategic and International Studies, January 09, 2014.



DR. LEILA ALIEVA

President, Center for National and International Studies, Baku, Azerbaijan

Energy security and NATO dilemmas in the Gulf region

The Gulf countries throughout the 20th century have always been important for the EU and US energy security. However, some of the key suppliers, such as Iraq or Iran, were prone to instability, wars or establishment of unfriendly regimes. Moreover, recently the major players and geopolitical power centers around the region demonstrated dynamics, which few, if at all could predict, and which had a significant influence on the security of the region. Among them are - the Arab spring and growing ambitions and unpredictability of Putin's Russia, demonstrating volatile nature of seemingly stable regimes and vulnerability of international law in the region. Thus there are limited reliable options for the supplies of Western markets - irresponsible behavior of Russia, against background of Europe's high dependence on Russia's gas, or the countries with unfriendly regimes and prone to instability.

Even those states of the Gulf, who sustained the chain effect of the Arab spring- mainly energy rich states – Bahrain, Qatar, Kuwait or Emirates - are not secure in their long term stability. In most cases, the domestic stability rests on the oil and gas revenues, rather than on a solid basis of popular legitimacy, and provides for little legitimate space, if at all, for expression of dissent and plurality. As a rule, they include opposition in the broader definition of terrorism. The situation is complicated by the growing interdependency and new threats characteristic of the modern world, such as cyber attacks, international terrorism, natural disasters, in the context of which the issue of protection of critical infrastructure becomes vital and international in nature.

On the other hand, the analysts think that need of establishment of effective partnership as a key for future of NATO makes the revival of relations with Middle East and North Africa an urgent task. In this context, the protection of critical energy infrastructure may become an area of perceived common threat of NATO and the Gulf countries.

There is a wide variety of threats targeting critical infrastructure: terrorism and cyberterrorism, disruption due to regional instabilities and war, or due to the political pressure of the regional rival, domestic instabilities, weak states, ethnic conflicts.

The modern threats and consequences of the possible disruption of energy infrastructure for the people's lives urged the political decision of two NATO Summits (in Riga, 2006 and in Bucharest, 2008) to acknowledge importance and necessity of NATO's role in its protection. NATO nowadays is viewed as a viable partner both to the government agencies and private actors in safeguarding the energy security, due to the capacity of sharing intelligence and civil emergency planning, training and dispatch forces on a short notice, protection against piracy and cyber defense expertise¹. At the same time the task of infrastructure protection necessitates improvement of private-public cooperation, governance and cooperation between the governments in "an unprecedented ways"²

Critical Infrastructure protection as a part of the NATO Civil emergency planning includes threat and vulnerability assessment, trainings and education and exchange of best practices.

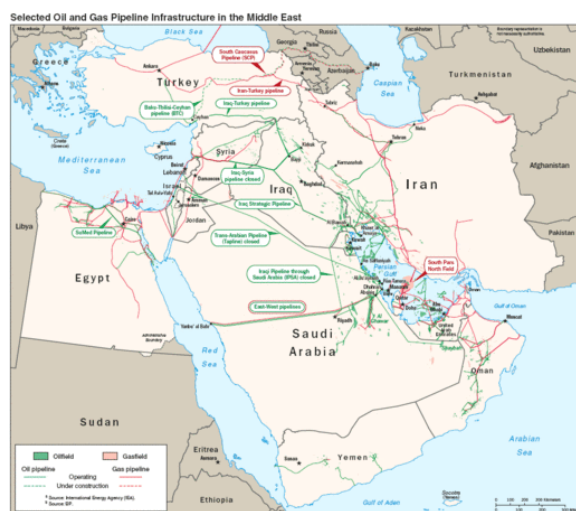
1. Ambassador Gabor Iklody, Assistant Secretary General for Emerging Security Challenges, NATO International Staff, Welcome Address, The World in 2020 - Can NATO protect us? The Challenges to Critical Infrastructure. Conference Report. 10 December 2012 Brussels. NATO. Emerging Security Challenges Division.
2. Jan Techau, Director Carnegie Brussels. 2012. Wehrey, Frederic, 2013.

Because of the universality of the threats it addresses NATO Civil Emergency Planning has a wide and unique geography of cooperation – from Russia to the Middle East. Cooperation in this area with Russia started in 1991, while with the countries of the Mediterranean region through Mediterranean Dialogue in 1994, and further extended through Istanbul Cooperation Initiative member countries in 2004. Under this umbrella, the Qatar, Bahrain, Kuwait and UAE were included in the number of NATO led activities, such as information exchange. There is also an opinion that the regional security will not be complete without participation of Saudi Arabia and Oman.

Challenges of security cooperation with the Gulf states

So far, there was an intense cooperation in the area of security between the Gulf states on the one hand and the US and Europe – on the other. The EU and US had contributed mainly to the protection from piracy and terrorism, through patrolling of the combined naval forces, such as EU NAVFOR and the US Navy and Coast Guards, Operation Ocean Shield and EU Naval Forces' Operation Atalanta, Combined Task Force 151, Combined Maritime Forces. As the EU's approach characterized by addressing the root causes of the piracy, it included formulation of Strategy for the Horn of Africa and appointment of special representative there.³

The experts have been suggesting that the internationalization of the Gulf led to possibility for NATO's closer cooperation with the Gulf states. The Gulf states should be included in the regional and international security solutions because of their role in energy security extending beyond their region, their influence on the world price of oil, the increasing role of the Gulf investments in the West, instability in Iraq, threat of terrorism, or situation in Iran. The regional security solutions so far has been tied to the US, who deterred the threat coming from Iraq and Iran, but due to challenges to these policies and the financial crisis, making US security role in the region a burden on the military, the experts argued that there was an emerging space for greater role of NATO.⁴



Source: US Department of Energy, 2009.

Thus NATO has established both bilateral and multilateral track in its relations with the Gulf states. The Istanbul cooperation initiative, launched in 2004, was aimed at neutralizing fears of the Gulf oil monarchies that NATO has an exceeding influence in the region after military intervention of Iraq and Afghanistan, and focused on technical issues rather than a cultural dialogue.⁵ The format was criticized, because it suggested mainly bilateral form

3. Wehrey, Frederic, Combating Unconventional Threats in the Gulf, December 6, 2013.
4. Sager, Abdulaziz, The Gulf and the NATO: Time to Revisit Relations. NATO Review, 08.2008, http://www.nato.int/docu/review/2008/08/NATO_GULF_RELATIONS/EN/index.htm
5. Scatamacchia, Donatella, "NATO and the Greater Middle East: a challenge for multilateral dialogue and a need for a public diplomacy function", 2008.

of cooperation and lacked political and multilateral dimension. Besides, the goal of improvement of image of NATO in the region urged an emphasis on public diplomacy function.⁶ NATO established the NATO Transition Cell in Iraq as well as conducted security training through NATO training mission in Iraq. In 2012 Kuwait offered to host the ICI Regional Center. By 2013 the UAE became the first Arab and the first Gulf state to open its mission in NATO headquarters in Brussels. The country has cooperated with NATO on many initiatives, including operations in Bosnia, Lybia, Afghanistan.

The foundation for closer cooperation was also laid by the ideas, that NATO should change its nature of engagement in the region – from the perception of threat coming from the Middle East and Gulf to the concept of shared threats with the countries of the region. Yet, there is diversion of understanding of the threats by the Gulf States on the one hand and the West, on the other. The Gulf rulers see the transnational ideology, as opposed to the conventional military ones as the primary threat to their survival.⁷ However, there are areas of common concern in security, such as piracy, terrorism and cyber terrorism. Also, most recent illustration of the unity of threat perception –the involvement in Libya was a case of both unique cooperation across the West and of the West with the region.⁸ Overall Istanbul Cooperation Initiative is viewed as an important mechanism through which Gulf states can address their security concerns and which can be a platform to enhance regional cooperation and coordination.⁹

NATO role in energy infrastructure protection

In spite NATO's role in energy security was confirmed at two Summits, NATO does not play a leading role in energy security, although its role most probably will be increasing and geography - extending with the changing nature of threats and growing significance of multilateral security cooperation in the world.

Protection of the Critical Energy Infrastructure as a key element of the energy security is a national responsibility, but NATO's role might be unique in provision of trainings, such as in the maritime area on protection of chokepoints, terrorism and cyber terrorism, targeting critical energy infrastructure.

Most importantly, however, is the Eurocentric (or US centric) nature of the energy security. This concept does involve the country producer on the other end of the chain, but, due to the state's monopoly on the energy resources in the oil rich states , usually leaves the public of the country-producer and the way of distribution of resources beyond the equation. This factor has demonstrated itself in such country as Azerbaijan. With the end of the cold war, the Western part of the Caspian opened up its resources for the West, while South Caucasus joined NATO PfP programmes. This paved the way for new projects and opportunities in terms of geography of alternative oil and gas supplies. Azerbaijan in this regards was the key country for the EU energy security, mainly allowing to by-pass post-Soviet Russia, whose monopoly on the energy supplies created economic and political problems in the region and beyond it.

6. Ibid.

7. Wehrey, Frederic, 2013.

8. Lebaron, Richard. NATO Partnerships in the Middle East: Time for a new Look. Atlantic Council, November 29, 2012.

9. Sager, Abdulaziz, 2008.



Source: US Energy Information Administration, Caspian Sea Region, 2013.
<http://www.eia.gov/countries/regions-topics.cfm?fips=CSR>

After discovery of the gas field in Shahdeniz, Azerbaijan turned into the gas producer, with the prospects to diversify sources and thus undermine Russia's monopoly on gas supply to Europe. However, the increasing cooperation of the US and EU with Azerbaijan and growing significance of the country for the energy security of the West, has been accompanied by worsening human rights record and increasing monopoly of the ruling elites in economics and politics of the country, in spite of all programs and international conventions on human rights, which the country became part of. This effect may in turn create a soil for more extreme resistance, which in turn would create a domestic challenge to the security, including the safety of critical infrastructure.

Dealing with controversies

The threats to the energy infrastructure can be considered an issue, which may contribute to the NATO –Gulf region cooperation based on the perception of common threats. However, there is a number of controversies, which should be taken into account in this cooperation. One of the main concerns is absence of public as an actor and stakeholder in the country producer in the concept of energy security. This means, that there is always a political implication of a cooperation with purely interest based elite, who has a monopoly on energy resources and on political space in the countries- producers.

The political aspects of the controversies of involvement in the region can be addressed in a few ways

- through strengthening political multilateral dialogue with countries of the region.
- through cooperation with the private actors, along with the state, in PCEI.
- by using the capacities of the PFP partners for trainings, meetings, exchange of experience.
- through revision of the concept of energy security towards inclusion in it its effect on the public and political consequences of the energy trade in the country producer, provide for public participation/diplomacy and transparency in these relations.
- through neutralizing effect of manipulation by autocracies of the Middle East the international fight with terrorism to silence regime opponents. The cooperation between the governments and NATO should take into account this possible "side effect" of the anti-terrorist struggle and involve civil actors in this cooperation.

In conclusion, it should be said, that however technical cooperation intends to be, there always will be a political and value based element to this cooperation. The most efficient result from cooperation would be if these effects, originating in quickly changing world, are taken into account at the strategic level.

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