© 2020 IAI
ISSN 2532-6570
IAI COMMENTARIES 20 | 55 - JULY 2020

Regional Alignments and Confrontations: COVID-19's Impact In and Beyond the Persian Gulf

by Lorenzo Kamel

The Persian Gulf represents a crucial nexus for the transportation of global goods and commodities, and plays a key role in "contemporary capitalism, inevitably making it a region of compelling strategic importance and of military and diplomatic conflict".[1]

Such strategic relevance is also mirrored in toponyms – or more precisely, in the struggle and the interests around them. Here it is enough to mention that many, including US President Donald Trump, avoid the expression Persian Gulf (*Khalīj-e Fārs* in Farsi) in favour of "Arab Gulf". Others, such as French President Emmanuel Macron, call it the "Arab-Persian Gulf".

Both "Arab Gulf" and "Arab-Persian Gulf" are toponyms coined in the 1960s with the purpose of downplaying Iran's role in the region, while at the same time enhancing that of Saudi Arabia and other strategic (Arab) players. The expression Persian Gulf, on the other hand, has been in use for millennia. The toponym *Khalīj Al-Ajam* appears in many Arab maps produced in medieval times: in classical Arabic, *Ajam* ("foreigner") referred to "non-Arabs" and, over the centuries, was used only in reference to the Persians.

[1] London Review of Books, "Laleh Khalili and Rafeef Ziadah: Sinews of War and Trade", in *LRB Podcasts*, 21 May 2020, https://blog.lrb.co.uk/podcasts-and-videos/podcasts/at-the-bookshop/laleh-khalili-and-rafeef-ziadah-sinews-of-war-and-trade. See Laleh Khalili, *Sinews of War and Trade. Shipping and Capitalism in the Arabian Peninsula*, London, Verso, 2020, ch. 8.

Lorenzo Kamel is Associate Professor of History of the Middle East and North Africa at the University of Turin, Director of IAI's Research Studies series and a faculty member of the PhD programme in Global History of Empires. *This paper is published in the framework of an ongoing project run by IAI's Middle East and Mediterranean Programme in cooperation with the Department of Historical Studies and the Department of Cultures, Politics and Society of the University of Turin with the support of the Compagnia di San Paolo Foundation, which includes a series of six commentaries exploring the impact of COVID-19 on conflicts in the Middle East and North Africa. Views contained in the article are of the author only and do not necessarily reflect those of other project partners and sponsors.*

This "naming competition", to use an expression adopted by Gordon Pirie in the African context,[2] is reflective of two main contending regional orders in the Middle East. Before lingering on them, it should be noted that the advent of COVID-19 has accentuated underlying dynamics in the region, impacting alignments and rivalries in and beyond the Persian Gulf. In some cases, the pandemic has created new and unprecedented challenges for local actors, while in others it has provided opportunities exploited by global players to consolidate their interests and influence over the region.

Two regional orders

American-Turkish historian Arif Dirlik argued that "to define, as to name, is to conquer".[3] What it is certain is that the naming struggle mentioned above is today part of a much broader academic debate[4] and, from a geopolitical perspective, of a power struggle rooted in two competing regional and international agendas, both underpinned by uncompromising ideologies.

The first aims at maintaining and strengthening an intra-regional geopolitical line that stretches from Tehran to Baghdad, Damascus and Beirut. The second – fostered by Saudi Arabia, Egypt and the United Arab Emirates (UAE) – seeks to retain or impose a new, largely US-led and Israeli-advocated order in the region.

At the moment, this second agenda would seem to have a higher chance of success, as confirmed by US sanctions against Iran and a number of strategic moves that have occurred in recent years. Think, for instance, of the decision through which Mohammed bin Salman was made first in line to the Saudi throne, a move the Trump administration accepted and then backed on condition that Saudi Arabia comply with US and Israeli goals in the region.[5] Other examples include dynamics leading up to the blockade of Qatar in June 2017 and, more recently, the strategic implications of the Trump administration's "Deal of the Century" for Palestinians and Israelis.

All this might suggest that relations between the main local players – those who are shaping the two regional orders – have always been as tense as in recent years. Yet, the reality is far more nuanced and complex. Saudi Arabia and Iran, but also Iran in relation to Iraq,[6] as well as other players

[2] Gordon H. Pirie, "Letters, Words, World: the naming of Soweto", in Liora Bigon (ed.), *Place Names in Africa. Colonial Urban Legacies, Entangled Histories*, Cham, Springer, 2016, p. 154.

[3] Arif Dilrik, "Introduction: Pacific Contradictions", in Arif Dilrik (ed.), *What Is in a Rim? Critical Perspectives on the Pacific Region Idea*, 2nd ed., Lanham, Rowman & Littlefield, 1998, p. 5.

[4] See for instance Fahad Ahmad Bishara, "The Many Voyages of Fateh Al-Khayr: Unfurling the Gulf in the Age of Oceanic History", in *International Journal of Middle East Studies*, 17 June 2020, https://doi.org/10.1017/S0020743820000367.

[5] See Sigurd Neubauer, *The Gulf Region and Israel. Old Struggles, New Alliances*, New York, Kodesh Press, 2020.

[6] Only a narrow strip (58 km) of the northern coast of the Persian Gulf belongs to Iraq. In 1921–22, with the purpose of weakening Arab nationalism and in order to have better control of the region and its natural resources, the British authorities blocked Iraqi access to the Persian Gulf through the establishment of a new artificial state: "Kuwait". See Lorenzo Kamel, *The Middle*

IAI COMMENTARIES 20 | 55 - JULY 2020 ISSN 2532-6570

in the Persian Gulf, had for many years shared and supported a number of common interests, including cultural and economic ones.[7] COVID-19 is opening new diplomatic venues and opportunities, but will not, by itself, push Gulf countries to bring their common interests back to centre stage, nor will it create the conditions for "a post-oil future".[8] The ongoing pandemic can in fact accelerate a number of dynamics and processes, but will not foster a new social, economic and security-related contract in the Gulf.

East from Empire to Sealed Identities, Edinburgh, Edinburgh University Press, 2019, ch. 7.

[7] Saudi Arabia and Iran, then two monarchies heavily funded by Washington, experienced a U-turn in their relations as a consequence of the 1979 Iranian Revolution, when the regime of the Shah Reza Pahlavi was overthrown by a popular movement inspired by the Ayatollah Khomeini. It was then that the Saudi authorities decided to provide a sectarian connotation to the rivalry between the two countries, in order to tackle what they perceived as a major threat to their national interests. Khomeini, in fact, had presented himself as a leader of all Muslims (i.e., not only of the Shiites), thus challenging the legitimacy of Saud and their role as "guardians of Islam" and of its most sacred sites. Saudi authorities decided to stem and tackle Khomeini's message by stigmatising the Revolution as a "heretical" and "purely Shiite" one. Khomeini reacted to the Saudi attempts to undermine his message also by supporting the rise in Lebanon of Hezbollah, the Shia Islamist political party and militant group. See Lorenzo Kamel, "Le radici storiche dello 'sciismo politico' in Libano: il caso di Ḥezbollāh", in Lorenzo Kamel and Lorenzo Trombetta, *Sciismo e potere: Il peso della storia tra Iran, Libano e Iraq*, Rome, Istituto per l'Oriente C.A. Nallino, 2020, ch. 2.

[8] According to the International Monetary Fund (IMF), "oil-exporting countries may need to be ready for a post-oil future sooner rather than later". See Tokhir Mirzoev et al., "The Future of Oil and Fiscal Sustainability in the GCC Region", in *IMF Departmental Papers*, No. 20/01 (2020), p. 33, http://dx.doi.org/10.5089/9781513525907.087.

Enter COVID-19

The World Health Organization declared COVID-19 a global pandemic on 11 March 2020 and the first reports of its occurrence in the Middle East arrived from Iran in late February. The Iranian response to the virus and the actual extent of the contagion has been shrouded in secrecy, however. A number of prominent Western analysts went so far as to claim that the Iranian "regime is clearly ready to face tens of thousands of deaths due to the virus and even hundreds of thousands in order to keep the economy running, simply because it has no other choice".[9]

Nobody can deny that Iran's flagship airline, Mahan Air, continued to run flights to and from Iran, Syria, Lebanon, Iraq and the UAE until the end of March, and that this likely contributed to the spread of the virus both in Iran and in the broader region. In this sense, the strong financial and geopolitical relations between China and Iran also played a role in fostering COVID's transmission from Wuhan to Iran.

Related to this, and no less influential in fostering the conditions for the spread of the virus, were (and still are) the consequences of the US "maximum pressure" campaign against Iran's economy. Iran "developed resilience over [many years] of isolation and tends to be sheltered from global market shocks".[10] Notwithstanding this,

[9] Olivier Roy, "The Asymmetric Impact of Covid-19 in the Armed Conflicts of the Middle East", in *MEDirections Blog*, 30 April 2020, https://blogs.eui.eu/medirections/?p=362.

[10] Luca Franza, "Power Shifts and the Risk of a 'Crisis Within the Crisis': COVID, Oil and the

IAI COMMENTARIES 20 | 55 - JULY 2020 ISSN 2532-6570

the Trump administration's blockade, coupled with the sharp collapse of global oil demand, presented Iran with additional challenges in relation to the import of supplies and medical equipment needed to tackle the pandemic.[11]

On the other hand, countries in the Gulf Cooperation Council (GCC) – which include Saudi Arabia, the UAE, Bahrain, Qatar, Kuwait and Oman – can easily access domestic humanitarian supplies and import medical equipment,[12] and were thus more able to tackle the spread of the virus. Some of them – Saudi Arabia first and foremost – have a longstanding history of dealing with epidemics and this also has had a positive effect on the level of preparedness and response among these countries.

Appearances, however, can often be deceiving. Migrant workers in the GCC states, who represent the segment of the local populations facing the greatest economic challenges as well as the highest infection rates, can serve as a meaningful reminder. In a country like the UAE, for instance, migrant workers represent nine-tenths of the total population[13] and yet they hardly appear in official statistics. They are prevented from acquiring citizenship – largely because of the financial benefits this entails – and are often locked away in quarantine zones without financial support.

As highlighted by Sebastian Castelier, "hit by the twin crisis of coronavirus pandemic and falling oil prices, more than 3.5 million migrant workers are expected to lose their employment and leave the Gulf as stimulus packages designed to shield local economies from the pandemic-induced recession largely exclude them".[14] The same applies to the other GCC countries, including Oman – where the number of migrant workers dropped from 2.1 million in June 2017 to 1.9 million in June 2020 – and Saudi Arabia, where migrant workers, who are "particularly vulnerable amid poor work and living conditions", account for about two-thirds of COVID-19 infections in the kingdom.[15]

MENA Region", in *IAI Commentaries*, No. 20|36 (May 2020), https://www.iai.it/en/node/11631.

[11] Iran, where almost 40 per cent of the population of some 80 million are under 25, has the world's fourth-largest oil reserves. A more open Iran, free of sanctions and able to exploit its natural resources and foster its internal economy, represents a threat to many, inasmuch as it could relatively easily assert itself as the major player in the region. See Kim Ghattas, *Black Wave. Saudi Arabia, Iran, and the Forty-Year Rivalry That Unraveled Culture, Religion, and Collective Memory in the Middle East*, New York, Holt, 2020.

[12] See OECD, "COVID-19 Crisis Response in MENA Countries", in *OECD Policy Responses to Coronavirus (COVID-19)*, 9 June 2020, https://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-mena-countries-4b366396.

[13] There are about 7.8 million migrants in the UAE, out of a total population of 9.2 million. The abusive practices suffered by migrants include the confiscation of their passports by the local authorities. See Kepa Artaraz and Michael Hill, *Global Social Policy. Themes, Issues and Actors*, London/New York, Palgrave, 2016, ch. 9.

[14] Sebastian Castelier, "COVID-19 Crisis Returns Spotlight to Gulf Migrant Communities", in *Al-Monitor*, 9 June 2020, http://almon.co/3d2y.

[15] See Bruce Riedel, "As a Global Economic Crisis Wreaks Havoc on Saudi Arabia, the Kingdom Should Reduce Military Spending", in *Order from Chaos*, 27 May 2020, https://brook.gs/2TKaxly.

IAI COMMENTARIES 20 | 55 - JULY 2020 ISSN 2532-6570

It should be noted that domestic austerity measures across the GCC, such as the tripling of value-added tax announced by the Saudi authorities in May 2020 to cope with the fiscal impact of the pandemic, will especially affect migrant workers in GCC countries, where growth is expected to contract by 7.1 per cent in 2020.[16]

Conflicts and new diplomatic venues

Back in 2002, Saudi authorities decided to break relations with Qatar. These were restored in 2007 but they again became tense following the outbreak of the Arab uprisings in 2011, when Qatar, together with Turkey, took the strategic decision to support the Islamist groups and the revolutionary forces close to the Muslim Brotherhood. The UAE and Saudi Arabia have since then invested much energy to transform Qatar into a vassal state,[17] in turn leading Doha to increasingly look to Iran and Turkey for support.

These developments are still affecting intra-Gulf dynamics and relations. Yet, COVID-19 has created new diplomatic opportunities. Since the outbreak of the pandemic, for instance, the UAE has demonstrated a strong commitment to ease tensions with Iran, providing Tehran with humanitarian assistance and medical aid.

[16] See IMF, *Regional Economic Outlook Update: Middle East and Central Asia*, July 2020, https://www.imf.org/en/Publications/REO/MECA/Issues/2020/07/13/regional-economic-outlook-update-menap-cca.

[17] See Kristian Coates Ulrichsen, *Qatar and the Gulf Crisis*, New York, Oxford University Press, 2020, p. 67-68.

Mohamed Bin Zayed, crown prince of Abu Dhabi and deputy commander of the UAE armed forces, also decided to break the Arab ban on dealings with Syria's Bashar Al-Assad by dispatching aid to support Syria's efforts to deal with the emergence of COVID-19.[18] The Syrian President fought – and is still opposing – a number of Islamist groups, and is thus perceived by the Emirati authorities as a potential ally against political Islam in the region.

As for Saudi Arabia, the pandemic offered Ryiadh the possibility to declare a unilateral ceasefire without losing face. This means that Saudi Arabia is now more ready to end a costly war that, in many ways, the kingdom has already lost. As noted by James Dorsey, the pandemic offered Saudi Arabia not only an opportunity "to globally polish its image, badly tarnished by human rights abuses, power grabs, and the killing of journalist Jamal Khashoggi, but also to retain religious influence despite the interruption in the flow of pilgrims to the kingdom",[19] whose loss of revenue from the COVID-related cancellation of the *Hajj* and the *Umrah* is estimated to be around 12 billion US dollars in 2020.[20]

[18] UAE has re-opened its mission in Damascus and is allegedly cooperating also with the Syrian regime's security forces/intelligence agencies. See Al-Araby Al-Jadeed, "Will the UAE Defy the Caesar Act to Continue Normalization of the Assad Regime?", in *The Syrian Observer*, 2 July 2020, https://syrianobserver.com/EN/?p=58952.

[19] See James M. Dorsey, "Lessons Gulf States Have Learned from Coronavirus Pandemic", in *WIONews*, 28 May 2020, https://www.wionews.com/opinions-blogs/lessons-gulf-states-have-learned-from-coronavirus-pandemic-301605.

[20] See Ahmed Al Omran, "Saudi Arabia Puts Strict Limit on Number of Hajj Pilgrims", in *Financial Times*, 23 June 2020, https://www.

IAI COMMENTARIES 20 | 55 - JULY 2020 ISSN 2532-6570

Notwithstanding these dynamics, COVID-19 is having a strong impact well beyond intra-Arab and/or intra-Gulf relations. Through the so-called "Health Silk Road", the pandemic created conditions for a more focused multilateral engagement of China with the Persian Gulf (China – whose authorities never use any expression other than Persian Gulf to refer to the area – is Iran's largest crude oil customer).

As Beijing's interests in the area continue to broaden, the US is exerting growing pressure on Gulf states to limit their engagement with China. The latter – like also Russia and Iran – is today perceived as a trustable ally by an increasing number of states and players in the region. Also for this reason, the litmus test of Washington's ability to counter China's growing footprint in the Middle East is, and will likely increasingly be, the Persian Gulf.[21]

These dynamics will also affect European countries, many of which are already coping with the decreasing role of the "US security umbrella" in the region, and the unrelated but concomitant shift in the balance of power in the MENA region away from countries in North Africa and the Eastern Mediterranean and towards the GCC.

The EU, which was the first trading partner for the GCC in 2018, *has the potential to* fill these multiple gaps. Yet, for it to do so, the EU must first overcome the competitive European bilateralism – as for instance in the case of Britain, France and Germany – which has severely undermined efforts to shape a common European policy towards the Persian Gulf and the broader region.[22]

31 July 2020

ft.com/content/7ec1a2cd-fd20-47f8-adce-6217d9bd159a.

[21] James M. Dorsey, "US-China Rivalry: Gulf States Struggle to Hedge Their Bets", in *Inside Arabia*, 23 June 2020, https://insidearabia.com/?p=10659.

[22] See Cinzia Bianco, "A Gulf Apart: How Europe Can Gain Influence with the Gulf Cooperation Council", in *ECFR Policy Briefs*, February 2020, https://www.ecfr.eu/publications/summary/a_gulf_apart_how_europe_can_gain_influence_with_gulf_cooperation_council.

IAI COMMENTARIES 20 | 55 - JULY 2020 ISSN 2532-6570

Istituto Affari Internazionali (IAI)
The Istituto Affari Internazionali (IAI) is a private, independent non-profit think tank, founded in 1965 on the initiative of Altiero Spinelli. IAI seeks to promote awareness of international politics and to contribute to the advancement of European integration and multilateral cooperation. Its focus embraces topics of strategic relevance such as European integration, security and defence, international economics and global governance, energy, climate and Italian foreign policy; as well as the dynamics of cooperation and conflict in key geographical regions such as the Mediterranean and Middle East, Asia, Eurasia, Africa and the Americas. IAI publishes an English-language quarterly (*The International Spectator*), an online webzine (*Affarinternazionali*), three book series (*Global Politics and Security*, *Quaderni IAI* and *IAI Research Studies*) and some papers' series related to IAI research projects (*Documenti IAI*, *IAI Papers*, etc.).

Via Angelo Brunetti, 9 - I-00186 Rome, Italy
T +39 06 3224360
F + 39 06 3224363
iai@iai.it
www.iai.it

Latest IAI COMMENTARIES

Director: Andrea Dessì (a.dessi@iai.it)

20 | 55	Lorenzo Kamel, *Regional Alignments and Confrontations: COVID-19's Impact In and Beyond the Persian Gulf*
20 | 54	Nicoletta Pirozzi, *The European Council and Europe's Magic Lantern*
20 | 53	Georges Fahmi, *"Pray in Your Homes": Religion and the State in North Africa in Times of COVID-19*
20 | 52	Francesca Caruso, *COVID-19 and Conflict Mediation: Women, not the Pandemic Can Revive Diplomacy*
20 | 51	Nathalie Tocci, *Framing an EU Response to Israel's Annexation of the West Bank*
20 | 50	Amer Al-Hussein, *EU Policy and the Humanitarian Crisis in Syria: Time for a Reassessment*
20 | 49	Matteo Bonomi, *Has a Red Line Been Crossed in Serbia? Enlargement as Yet Another Crucial Test for the German EU Presidency*
20 | 48	Michele Collazzo and Alexandra Tyan, *Emergency Powers, COVID-19 and the New Challenge for Human Rights*
20 | 47	Marco Giuli, *Bringing Paris into the EU's Energy Infrastructure Policy: What Future for Gas?*
20 | 46	Antonio Bultrini, *EU "Sanctions" and Russian Manoeuvring: Why Brussels Needs to Stay its Course while Shifting Gears*