

Foreword

by George Friedman

Several processes are at work in the Gulf Cooperation Council (GCC) region, one layered over the other. At the top is a massive shift in how the global economy works following the 2008 financial crisis. This period began a crisis for exporting countries. Put simply, 2008 diminished the capacity of the United States and Europe to import manufactured products, which struck China particularly hard inasmuch as it was heavily dependent on manufactured exports. There was a significant lag in perception catching up to reality. Expectations that the Chinese appetite for industrial minerals, including oil, would remain steady kept prices up. When it became clear that these expectations were unrealistic, the price of oil plunged. Europe, in particular, has not returned to pre-2008 consumption patterns and neither has the United States. Therefore, with increased production and decreased demand, the economics of oil have created a new economic reality for the GCC.

The second layer is a fundamental shift in how the United States approaches the region. The lesson of Iraq, and also Afghanistan, has been that the United States has the ability to destroy armies, but not to occupy hostile nations unless it is prepared to absorb ongoing casualties. Since the costs outweigh the benefits to the United States, the US has adopted a new strategy in which it is prepared to support efforts by powers native to the region with material, intelligence, and air power, but is not prepared to absorb the cost of direct intervention on the ground. In effect, the United States has adopted a strategy of maintaining a regional balance of power, rather than of using its own force to manage the situation. A result of this strategy is that the United States is prepared to live with much higher levels of instability than it was previously.

The United States sees four major powers in the region, only one of them Arab. They are Iran, Saudi Arabia, Israel and Turkey. The US understands the hostility between these powers and finds it useful to maintain the balance of power. Part of this policy is drawing away, to a limited degree, from Israel and moving towards, to a limited degree, Iran. It will not allow Saudi national interest to drive US policy, but regards Turkey as the key relationship, difficult to manage, but ultimately the main force in the region. The United States sees the operation Saudi Arabia led in Yemen, with strong GCC support, as the model for managing regional problems. While the US supported the operation, it was native air forces, mainly those from GCC members, that bore the burden of the mission.

This shift in US strategy, coupled with prior actions, particularly the invasion of Iraq and support for anti-Assad forces in Syria, has led to the collapse of the region as the British and French had defined it. Iraq and Syria have effectively ceased to exist as nations, with the Islamic State defining a new entity in parts of both countries. And the governments of each have ceased to actually govern either country but have instead, as was the case in Lebanon in the 1970s and 1980s, become simply another faction fighting for power and territory. The conflict is contained by the box created by Turkey, Iran, Saudi Arabia, and Israel, but tensions between these nations, as well as complex forces within each of them, create an unpredictable dynamic. And it should be noted that the defeat of Islamic State as a near conventional military force will likely result in the same outcome as the defeat of the Iraqi Army did: a guerrilla war by a well-trained, highly motivated, and ruthless force that will have to be managed by regional powers.

There are, therefore, three challenges facing the GCC. First, there is the fundamental shift in the global economy that requires new models of economic development as an urgent matter of national security. Second, there is the shift in the American willingness to guarantee regional security, forcing the GCC to continue the development of a self-reliant defense strategy. Finally, the GCC must face the fact that it will be primarily responsible for managing its relations between conflicting regional powers, particularly Saudi Arabia and Iran. There are options open to the GCC, but all carry costs and risks. The US will partly bear these burdens, but the main responsibility will fall on the GCC to forge an alliance with a single power and bear its fate, and create a smaller balance of power among regional players without binding itself to anyone. It will also have to either accept powerlessness in the conflicts to its northwest, whatever outcome emerges, or create a unified force to participate in this and other conflicts, enduring the associated costs and risks.

The GCC includes, as one of its members, one of the major regional powers, as well as smaller states of varying economic development and defense capability. The evolution of the GCC from its current treaty structure to something resembling NATO during the Cold War would seem to be a fundamental shift, in order to provide weight to the region. If it would evolve the GCC to the sort of integrated force NATO had, the members of the GCC would face this decision. If Saudi Arabia is part of the alliance system, this would create a much stronger regional power than it would be otherwise. But this in turn would lead to a system of first among equals, given the relative strength of Saudi Arabia. It would also bind the alliance to a single power rather than give it room for maneuvering. If, on the other hand, the relationship with Saudi Arabia was defined in a more limited way, then the remaining countries would be both weaker and possibly more fragmented.

Defining the GCC in this very new era we have entered into seems to me the first task. As an American, I am not always clear on how decisions are made in the GCC and what is automatic and what is not. Others may see clearer, of course. But clarity of purpose is the essential path to manage the current situation.

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