The Arab Gulf States Institute in Washington
Building bridges of understanding

Written Testimony Submitted by Ambassador (ret.) Stephen A. Seche

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The U.S. Role and Strategy in the Middle East: Yemen and the GCC Countries
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Mr. Chairman, Ranking Member Cardin, Members of the Committee.

As we meet today, powerful, destructive forces are at work in the Middle East, tearing apart societies, provoking a massive wave of migration and threatening the very existence of established states. None of this is news to anyone who pays even cursory attention to the region, but what may be less apparent is the extent to which Arab Gulf states are involved in the conflicts and the crises that are roiling the Middle East at this moment.

In unprecedented ways, states of the Gulf Cooperation Council are employing their wealth and modern military arsenals to try and shape outcomes that serve their interests from Libya to Egypt and from Syria to Yemen. What drives them, and what the US can do to influence their behavior, are questions worthy of careful examination, and I am very grateful for the opportunity to contribute to your discussion of these issues.

My own assessment may seem counter-intuitive. On the face of it, the newfound assertiveness of Arab Gulf states like Saudi Arabia and the UAE might well suggest a greater degree of confidence and maturity than seen heretofore. And while I would like to think this is the case, I am persuaded that it is motivated at least in equal measure by a collective anxiety that flows from three major concerns:

1) that the United States, long the guarantor of Gulf security, is disengaging from the region;

2) that a resurgent, re-legitimized, and emboldened Iran will increase its efforts to destabilize Arab Gulf states;

3) that the wave of political and social unrest that engulfed the Middle East in 2011 will make its way to their doorsteps, threatening the status quo and the very survival of the monarchies themselves.

Allow me to briefly address each of these points:

There is no doubt that the nature of the US relationship with the Arab Gulf states is changing. The fundamental underpinning of that relationship - their oil for our security assurances - has come into question as a result of the shale revolution in this country, and a profound reluctance on the part of the United States to send American troops into combat in the region yet again.

This Administration, correctly I believe, has decided that the more appropriate response is to provide essential support to our regional partners - including the Arab Gulf states - that will allow them to attend to their own security needs: form their own alliances, build their own capacity and police their own neighborhoods. This is both a reasonable and strategically sound approach. In support of this policy, the United States has committed itself to work with the Arab Gulf states to prevent and deter external threats and aggression. This commitment was reiterated just last week when Secretary Kerry met in NY with the GCC foreign ministers under the rubric of our joint Strategic Cooperation Forum.

This forum is the mechanism identified to tackle the range of security issues discussed last May when President Obama hosted GCC leaders at Camp David. Expedited arms transfers, robust counter-terrorism cooperation, enhanced cyber and maritime security, and establishing an interoperable ballistic missile defense are some of the key areas where work is being done in support of this strategic partnership.

As we proceed to intensify our engagement with the GCC member states, it is important to bear in mind that the GCC is not a monolith: its six member states bring their own perspectives to the table, and the challenges inherent in overcoming these differences and developing a collective and comprehensive approach to defense and security should not be underestimated. President Obama has gone so far as to authorize the sale of US arms to the GCC itself, which is a laudable aspiration, but hardly a practical option: the GCC is not NATO. It has no procurement authority, and each member state makes its own defense decisions. Even the effort to establish a peninsula-wide ballistic missile defense will run into strong headwinds, given that it will require extensive sharing of sensitive military data among the GCC states.

My point is that the United States is so deeply invested in the long-standing, strategic partnerships with the nations of the Arab Gulf that it is difficult to imagine it disengaging. In this respect, I strongly suspect that our partners in the region are less worried about the US packing up and departing than they are about the US introducing its new friend.

Which brings me to my second point of neuralgia for the Arab Gulf states: Iran.

Let me suggest at the outset that, in very important respects, Iran's nuclear program is only the tip of the iceberg here. It is the part that draws the most attention because it looms so large in the public mind. But in fact, the biggest threat that Iran poses to its neighbors is that which lies beneath the surface, if you will: the financial and military support it provides to destabilizing political and armed insurgent movements in the region, much of which is delivered sub rosa.

And in this regard, Iran has been doing quite well influencing events in the region without having to rely on a nuclear weapon. Its support for the regime of Bashar al Assad in Syria has been decisive in the regime's ability to cling to power.

In Iraq, elements of the Iranian Revolutionary Guard Force have been fighting side by side with the Iraqi Army to dislodge Islamic State fighters. And in Yemen, the armed Shi'a insurgency known as the Houthis, which Iran has supported in a variety of ways for years, still controls the capital, Sana'a, and other portions of the country, in spite of having suffered serious military setbacks in recent weeks.

All that said, it is also quite true that the Arab Gulf states are unhappy with the Iran agreement but again, for reasons that have little to do with any nuclear weapons threat the agreement is supposed to neutralize.

Their unhappiness flows from other concerns:

First, that the agreement will provide Iran with a financial windfall as sanctions are lifted that is estimated to be in the neighborhood of $100 billion, which Iran will turn around and use to fuel greater instability in the region by arming insurgents, and bankrolling subversion of the Gulf states. The Obama Administration argues that, having been cash-starved for so many years, the regime in Tehran will be under enormous pressure to use this money to rebuild the nation's infrastructure and improve services to its citizens. Given the amount of money potentially in play, I suspect there will be a little bit of both, although it is important to bear in mind that sanctions relief is calibrated to take place as Iran meets its obligations under the nuclear agreement.

Another area of concern for the Gulf states is that, courtesy of the nuclear agreement with the West, Iran has just managed to negotiate its way out of its political and economic isolation back into the mainstream of regional affairs. Look at Iran's political leadership, jetting around the region, calling for direct talks with its neighbors, proposing four point plans to resolve the conflict in Syria, and generally acting like statesmen when, in fact, their government's deeply destabilizing behavior continues unabated.

This brings me to Yemen, because it is here, in one of the poorest countries on earth, that the Sunni Arab world, led by Saudi Arabia and the UAE, has chosen to draw a line in the sand and tell Iran that its interference in the region will no longer be tolerated. In fact, Yemen is now the most prominent example of a more assertive Arab Gulf intervening militarily to protect its perceived security interests in the region. The Saudi-led coalition entered the conflict on March 26, when it began a campaign of air strikes against Houthi rebels that continues to this day, a full six months later. And while the momentum on the ground seems to have shifted decisively in favor of the coalition and their efforts to reinstate the government of exiled president AbdRaboo Mansour Hadi, it wasn't until the UAE and Saudi Arabia introduced ground forces into Yemen that the tide truly began to turn.

Which is not to say that the air strikes didn't contribute to the shifting momentum, but they clearly were insufficient on their own to make a decisive difference. And the truth is, the Saudi-led air campaign has wreaked enormous damage on Yemen's civilian population and its already fragile infrastructure. In a nation of 23 million people, the United Nations now estimates that 1.5 million have been driven from their homes and are now internally displaced. A full 80 percent of the population, according to the UN, needs urgent humanitarian assistance.

What this suggests to me is that Saudi Arabia was focused on one thing as it began its air campaign, and it was something other than the physical well-being of Yemen's citizens. Saudi Arabia was focused on sending a clear and unequivocal message to Iran, which it believes is the driving force behind the Houthi rebellion. This is by no means a universally held belief, however. Certainly, it is not clear to me that the Houthi insurgency comes with a Made-in-Iran label. While I don't doubt that Iran has provided political, financial and military support to the Houthis, we must remember that they are a 100 percent Yemeni phenomenon, and it is almost certainly true that the military support provided to them by

former Yemeni president Ali Abdullah Saleh has been much more decisive than whatever Iran has made available.

Most worrisome now is that the Saudi coalition, buoyed by recent gains on the ground, and intent on avenging the death of coalition forces (45 Emirati soldiers and 10 Saudis died in a single incident on September 4), are not terribly interested in sitting down to negotiate an end to this conflict. The United States has been encouraging the Saudis to reconsider its position, and not for altogether altruistic reasons. We have supported the Saudi-led coalition since its air campaign began, providing logistical and intelligence support, and munitions. I have some sympathy for the US in this case, though: the Saudis clearly were intent on moving swiftly and forcefully against the Houthis, and I believe the Administration decided it was better to be in the tent with the coalition where it could perhaps exercise some influence over the way it conducted itself, than outside where it had no influence at all. Clearly, things haven't worked out as planned, and where the conflict in Yemen is headed simply isn't clear. The worst outcome, in my estimation, would be a ground assault on the Yemeni capital, Sana'a, a city of two million people, with sizeable pockets of support for the Houthis, and former President Saleh. I fervently hope that before the conflict reaches this stage, all the parties will step back and realize that the only certain outcome of continued combat is greater suffering for the Yemeni people, and will decide to negotiate terms for an end to the conflict and a viable power-sharing arrangement.

Finally, let me address concerns among Arab Gulf states that by the voices calling for political and economic reform in the region will eventually become those of their own citizens, who will insist on a greater role in the fundamental decisions of governance that affect their lives. With the exception of Bahrain, the only Arab Gulf state with a restive, and majority, Shi'a population, there is no real evidence of major domestic fault lines that would generate alarm at this time. That said, all the Arab Gulf states are monitoring internal dissent carefully and, to one extent or another, taking steps to quash it. At the same time, there are efforts afoot to provide citizens of the Gulf monarchies with some level of political

participation through elections. In some cases, this participation is tightly controlled, as with the elections held over the weekend for the UAE's Federal National Council. In other Gulf states, elections focus on municipal councils, which have only limited ability to make substantive changes. That said, it is worth noting that, for the first time, women will be able to participate as both voters and candidates in Saudi Arabia's municipal elections set for December.

Clearly, America's Arab Gulf allies feel much more liberty to undertake external defense and security initiatives than they do to make difficult domestic-reform decisions. While in the long run it is a good thing if Gulf states are disposed to engage more readily in finding solutions to regional crises, we also can hope they become proficient in using tools other than military hardware to do so. One of these tools is the wealth of the GCC states, and we are seeing an increasing willingness on their part to use this wealth as an instrument of economic statecraft. And in spite of the fact that a post-sanctions environment will see Iran re-enter the regional and international economy as a serious competitor, a number of GCC states should be able to realize clear benefits from economic ties with Iran.

For one thing, the economic isolation imposed on Iran by sanctions have made its economy heavily driven by domestic demand, which has represented an average of 85 percent of real GDP over the last five years, according to the IMF. This suggests a lot of pent-up interest on the part of Iranians to invest their money abroad, which would certainly contribute to the growth of regional economies. Trade, real estate, banking and infrastructure are all areas likely to benefit from these linkages.

Of course, nothing would please the United States more than to see Iran's engagement with the West increase: whether through trade, investment, academic exchanges, or tourism. Every contact is seen as one less brick in the foundation supporting the conservative, theocratic regime in Tehran, a sort of slow-motion, soft-power transition to a more open, inclusive governance.

Like it or not, the Iran that emerges from this nuclear agreement is going to very quickly re-establish itself as a major influence in the region. To my way of thinking, the most sensible way for the Arab Gulf states to respond to this new reality would be to consider an approach to Iran other than the very heavy reliance on acquisition of greater firepower that is currently underway. While this may provide short term comfort, in the long run what is needed is a vehicle that will allow the Arab Gulf states and Iran to discuss the issues that divide them and, in doing so, obviate the need to resort to military means to resolve their differences.

While the exact framework for these negotiations can be discussed, their value would seem to be clear, particularly given the deep skepticism with which Arab Gulf states view Tehran's intentions, and Iranian regime concerns that its neighbors in the region are conspiring with the US to hasten its demise.

What seems indisputable is that the dynamics in the Gulf region are undergoing dramatic change, as a resurgent Iran faces off against its increasingly anxious and assertive Arab neighbors. In between stands the United States, exercising what influence it enjoys -- and it is limited -- to try and ensure that competition in this instance doesn't become conflict.