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The Gulf between the Indo-Pacific and the Belt and Road Initiative

Jonathan Fulton

College of Humanities and Social Sciences, Zayed University, Abu Dhabi

jonathan.fulton@zu.ac.ae

Abstract

The Indo-Pacific has become more prominent internationally since President Trump's administration began using it instead of the Asia-Pacific – a term more commonly used by his predecessors. This change in terminology largely appears to be a response to China's growing influence across Eurasia and the Indian Ocean, as its Belt and Road Initiative (BRI) expands. The Trump administration's approach to the Indo-Pacific indicates an attempt to limit Chinese gains, a contrast to previous U.S. administrations' efforts to integrate China into the liberal order. This could potentially lead to balancing behavior across Eurasia, with competition increasing in multiple Asian regions. The Gulf, deeply embedded in the American-led liberal order while increasingly engaged with China, is a region that could be affected by Sino-American competition, as economic and strategic interests of external powers come into play at a time when the regional order is undergoing change. This confluence of tensions – at both the international and regional levels – will influence the Gulf's political, economic, and security environment.

Keywords

Indo-Pacific, Gulf, Regionalism, Belt and Road Initiative, Middle East

Setting the Scene

In order to understand how geostrategic competition in the Indo-Pacific will influence the Gulf region's political, economic, and security environment, it is necessary to layout the most critical drivers of change. First and foremost, the rise of China has inspired a series of American strategic re-imaginings of Asian order, from the "Pivot to Asia," and then "Rebalance to Asia," to that currently in use, the "Indo-Pacific". Not a new concept, it has gained wider traction in President Donald Trump's administration. With the change in name from the U.S. Pacific Command to the U.S. Indo-Pacific Command, it now represents the official United States' (U.S.) approach to Asia.

At the heart of the U.S. Indo-Pacific concept is the “Quad”. Made up of the U.S., India, Japan and Australia, the Quad is a loose grouping of states with a stated goal of establishing a rules-based Indo-Pacific economic and security order. While the Quad has yet to establish a formal framework for cooperation, it has generated no small amount of diplomatic energy and media coverage. While ostensibly a nascent community of shared interests, Washington’s application of the Quad in the Indo-Pacific appears to be a geopolitical tool for balancing against China, especially in the context of its greater geopolitical influence as the Belt and Road Initiative (BRI) expands China’s sphere of influence beyond its traditional foreign policy focus of its immediate periphery. This ‘China threat’ approach to the Indo-Pacific is evident in statements from U.S. officials in the Trump administration, as well as the December 2017 National Security Strategy (NSS), both discussed below. This risk of this is twofold. First, it reinforces a perception in Beijing of a China containment strategy, a perception made all the more relevant as the Trump administration wages a trade war with China. Second, leaders in Asian states that rely on Chinese trade or that are vulnerable to coercive Chinese economic statecraft – as India, Japan, and Australia all are – must balance the need to placate China against their willingness to cooperate with the U.S. in the Indo-Pacific theatre.

If the U.S. approach to the Indo-Pacific continues to take shape as a means of balancing against China, states and regions across Eurasia and the Indian Ocean can expect a new set of international political challenges as divergent visions of Asian order result in great power competition, and the Gulf region is likely to feature in this competition. In short, China’s growing power in the Indo-Pacific and the U.S. response to this challenge is making waves that will be felt as far as the Gulf region. Long simmering regional tensions are intensifying, and the concern of a softening U.S. commitment to maintaining the status quo threatens the Gulf’s fragile order. While each is deeply embedded in *Pax Americana*, the Gulf monarchies – namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE) – are increasingly engaging with a wide range of extra-regional powers, including China, across a range of economic and strategic issues. Iran, as a dissatisfied power in the existing Gulf order, has also pursued denser ties to China and is a key state in the BRI, while also working more closely with India. Beijing has given no indication of an ambition to challenge American military power in the Gulf, but its growing regional interests combined with its BRI ambitions underscore the fact that Middle East stability, and the Gulf in particular, has become a strategic concern for China. As Chinese influence in the Gulf intensifies, there is an increasing possibility that Indo-Pacific-BRI competition will play out in the region.

Using the case of the Gulf, this article asks how the Trump administration’s ap-

proach to the Indo-Pacific affects specific regional security complexes. It explores how such security complexes are influenced at the regional level by competing visions of order and also at the international level by global perceptions of an international order in transition. The article thus begins with an analysis the U.S. approach to the Indo-Pacific. The U.S. response to a rising and increasingly assertive China, most clearly represented in the idea of the Quad, represents a divergence from the Obama administration's "Rebalance to Asia" in which strengthened multilateral institutions would stabilize a rules-based order that could integrate China through economic and diplomatic incentives. The article then analyzes the repercussions of this approach to the Indo-Pacific in the Gulf, where regional order has been maintained by U.S. military preponderance since the end of the Cold War. The Gulf monarchies have used this U.S. security umbrella to develop trade relations with several extra-regional powers, including China and India, both of which have much to gain or lose if Indo-Pacific competition escalates to conflict.

Divergent Visions of the Indo-Pacific

As currently promoted in the U.S., the Indo-Pacific strategy is a means of countering Chinese influence, especially as it is projected through its massive BRI plans. A central feature of this strategy is the Quad. However, the four states have thought about the Indo-Pacific in different ways. Indian naval strategist Khurana claims to have first developed the Indo-Pacific as a strategic concept in his 2007 essay "Security of the Sea Lines: Prospects for India-Japan Cooperation." Since then other Indian strategic thinkers and practitioners have adopted it as well. In Japan the concept has roots in current Prime Minister Abe's short-lived first administration in 2006–2007; he addressed India's Parliament in 2007 and discussed a strategic partnership in a broader Asia which would "evolve into an immense network spanning the entirety of the Pacific Ocean, incorporating the USA and Australia. Open and transparent, this network will allow people, good, capital, and knowledge to flow freely" (Ministry of Foreign Affairs of Japan 2007). Australia's 2013 Defence White Paper marked the first time that an Asian government officially defined the region as the Indo-Pacific (Medcalf 2013, p. 471), adjusting Australia's "priority strategic focus to the arc extending from India through Southeast Asia to Northeast Asia, including the sea lines of communication in which the region depends" (Commonwealth of Australia 2013, p. 8).

A unifying element among the Quad states is ostensibly normative, in that all four are democracies. Japan has been especially active in promoting the democratic nature of the Quad. Prime Minister Abe referred to it as "Asia's democratic security diamond" (Abe 2012) and his former Foreign Minister Taro Aso introduced the concept of "value-oriented diplomacy" in a 2006 speech that appears to have laid the foundation for Japan's Indo-Pacific vision, in which Japanese diplomacy emphasizes "the 'universal values' such as democracy, freedom, human rights, the

rule of law, and the market economy” (Ministry of Foreign Affairs of Japan 2006). While the normative aspect of the Quad is important, it is overstated; several Asian democracies are not involved. Instead, the guiding principle seems to be a mutual concern of a rising China with a different vision of Asian order. Even if this is a shared concern, the group’s cohesion is weak when it comes to how to respond; leaders in India are especially wary of overtly provoking China. In the absence of a shared strategic vision, the Quad is unlikely to achieve its stated ambition of establishing a rules-based Indo-Pacific order. Instead, an increasingly assertive China is likely to attempt to counter the Quad in states and regions where commitment to the so-called liberal order is soft.

Central to Beijing’s vision of the Indo-Pacific is the BRI, which has been described as “the most significant and far-reaching initiative that China has ever put forward” (in Swain 2015, p. 3). Consisting of an overland route, the Silk Road Economic Belt, and a maritime route, the Maritime Silk Road Initiative (MSRI), it is essentially an infrastructure development plan designed to increase connectivity across Eurasia and the Indian Ocean. A 2009 report from the Asian Development Bank stated that between 2010 and 2020 there was a need for \$8 trillion in infrastructure projects throughout Asia (The Economist, 2015). Existing international institutions do not have the capital or capacity to address this shortage, and in 2013 China announced the BRI as a response. It created international institutions – the Asian Infrastructure Investment Bank (AIIB) and Silk Road Fund – to finance BRI projects. Chinese leaders have been careful to emphasize that the initiative is meant to complement the existing international structure rather than challenge it with a so-called China model. Foreign Minister Wang Yi addressed this directly, stating: “China is not building a rival system. On the contrary, we are seeking to play a bigger role in the existing international order and system” (Ministry of Foreign Affairs of the People’s Republic of China, 2016). Nevertheless, the BRI is extending Chinese influence substantially, and BRI-related projects are perceived as a means of economic statecraft that provide political leverage for Beijing. How this vision – and the Quad’s counter vision – will affect the Gulf region is discussed below. Before looking at the way these competing visions for the Indo-Pacific among the major powers will impact the Gulf, the analysis first considers the wider question of whether the balance of power is shifting among them and what this may mean for the region.

Shifting Balance of Power in the Indo-Pacific

An important strategic outcome of the BRI’s economic and development projects has been an increased Chinese capacity for power projection. Whereas American power is based on an extensive network of alliances, China has a long-standing aversion to formal alliances, perceived as “an archaic and entangling system that only increases the chances of costly military conflict” (Liu and Liu 2017, p. 153).

It likewise has avoided a physical overseas presence, with no overseas military presence until 2015 when it opened its first and thus far only foreign base in Djibouti. Even without a blue water navy capable of projecting power across the Indian Ocean or a collection of overseas bases, China's development of the MSRI has made it an Indian Ocean power. Initially described by Western analysts as a "string of pearls" strategy, the announcement of the MSRI in 2013 gave greater clarity as to what China had been doing: it built or funded expansion of ports and facilities across the Indian Ocean in a "places' as opposed to bases" strategy in which China secured access to partner states' ports and naval facilities (Kostecka 2011). This has evolved under a series of projects under the BRI/MSRI umbrella, with the development of service ports used to service local markets, hub ports used as regional transshipment hubs, and gateway ports used to connect to the Indian Ocean overland (Brewster 2017, pp. 276-277).

A cursory look at some of these projects underscores the scope of China's MSRI. In Myanmar, China's CITIC has a 70 percent stake in a \$7.2 billion deep sea port in its western Rakhine state (Lee and Aung 2017). A Chinese firm runs a shipping container facility in Chittagong, Bangladesh, and plans are underway to develop ports there and the southern Bangladeshi island of Sonadia. China's state-owned China Merchants Port Holdings has assumed a 99-year lease on Sri Lanka's Hambantota port as part of a deal to relieve more than \$8 billion in debt to Chinese state-owned enterprises (Schultz, 2017). The Maldives have also taken on a significant level of Chinese debt through infrastructure projects; amounting to 70 percent of its state debt, 10 percent of its national budget is allotted to payments to China (Manning and Gopalaswamy, 2018). In Pakistan, the port city of Gwadar is the end point to the China-Pakistan Economic Corridor (CPEC), providing China with access to an Arabian Sea port, and there are discussions about a naval base and airfield being developed in Jiwani, 60 kilometers west of Gwadar (Brewster, 2018). In Oman, a Chinese consortium has invested over \$3 billion in developing a port city in Duqm, with commitments set to total nearly \$11 billion by the project's completion (Jabarkhy, 2017). Taken together, these MSRI projects amount to a substantial Chinese presence across the Indian Ocean and provide context for the increased diplomatic energy behind the Indo-Pacific in response.

What has been the U.S. reaction to this recent intensification of Chinese activity in the Indian Ocean and Asia more generally? Washington's renewed emphasis on the Indo-Pacific became apparent in the fall of 2017, as a series of speeches and public events signaled a different regional approach from the Trump administration. Secretary of State Tillerson delivered a speech in October 2017 entitled "Defining our Relationship with India for the Next Century," in which he described a rules-based international order that has benefited rising states,

specifically India and China, but one that is under threat from a provocative and revisionist China. Doubling down on the strategic relationship with New Delhi, Tillerson said, “the world, and the Indo-Pacific in particular, needs the United States and India to have a strong relationship,” and then elaborated with a vision of U.S.-India cooperation countering illiberal threats, presumably in the form of China:

We need to collaborate with India to ensure that the Indo-Pacific is increasingly a place of peace, stability and growing prosperity so that it does not become a region of disorder, conflict, and predatory economics. The world's center of gravity is shifting to the heart of the Indo-Pacific. The U.S. and India, with our shared goals of peace, security, freedom of navigation, and a free and open architecture, must serve as the Eastern and Western beacons of the Indo-Pacific, as the port and starboard lights between which the region can reach its greatest and best potential (Center for Strategic and International Studies, 2017).

Firstly, the speech marked a departure from the usual use of the term Asia-Pacific from previous U.S. Secretaries of State. But the focus on U.S.-India relations could be interpreted as a matter of adjusting the message to accommodate one’s audience.

The next month, President Trump made his first official trip to Asia, visiting Japan, South Korea, China, Vietnam and the Philippines. Throughout the trip he made repeated references to the Indo-Pacific, a noted contrast from his predecessors’ use of the Asia-Pacific. At the APEC summit in Vietnam he said he was honored to be in “the heart of the Indo-Pacific” and told delegates that “We have been friends, partners, and allies in the Indo-Pacific for a long, long time, and we will be friends, partners and allies for a long time” (Sevastopulo 2017). His emphasis on U.S.-Asian alliances and partnerships seemed an about-face from a president who pulled out of the Trans-Pacific Partnership (TPP) within his first week in office, having described it in a Republican primary debate as a “deal that was designed for China to come in, as they always do, through the back door and totally take advantage of everyone” (Blackwill and Rappleye 2017). Trump’s approach to the Indo-Pacific became clearer when the White House released its National Security Strategy (NSS) in December 2017. Its section on the Indo-Pacific begins, “A geopolitical competition between free and repressive visions of world order is taking place in the Indo-Pacific region” (United States and Trump 2017, p. 45). Adopting hawkish language in describing China as a threat to regional stability, the NSS describes China’s infrastructure investments as a means of achieving geopolitical ambitions, referring to the BRI, and then claims: “Chinese dominance risks diminishing the sovereignty of many states in the Indo-Pacific. States throughout the region are calling for sustained U.S. leadership in a collective response that upholds a regional order respectful of sovereignty and

independence” (United States and Trump 2017, p. 46). Cooperation with key allies remains the foundation upon which the U.S. seeks to constrain China’s growing influence and power,

The NSS represents a divergence of how the Indo-Pacific was previously articulated by the U.S. government. The Obama administration, in making it a central feature of the “Rebalance to Asia,” adopted a liberal approach to the Indo-Pacific, linking the concept to the TPP and the expansion of existing U.S. multilateral relationships in Asia. Obama’s Indo-Pacific was a means of managing China’s rise by strengthening the structure of regional order with the expectation that a robust order based on trade would induce China to play by the rules. The Trump administration’s approach to the Indo-Pacific, in contrast, is a containment strategy, trying to limit the expansion of Chinese influence rather than managing its integration into the liberal order. Despite deep levels of economic interdependence in the U.S.-China relationship, the Trump vision of the Indo-Pacific is overtly antagonistic and redolent of a Cold War bipolar order (Swain 2018).

This approach creates problems for the Quad. Each of the members has a complex relationship with China. For one thing, there are good reasons to be concerned about the nature of a China-led Asian order, yet at the same time there are economic imperatives to maintaining good relations. The former U.S. approach of trying to deepen Chinese integration into the existing international order is still the preference of many Asian leaders, reflected in a statement from Australian Minister of Foreign Affairs Julie Bishop: “We want to work with China to ensure that their infrastructure investment is commercially sustainable, is transparent and adds to the economic growth that is so needed in our part of the world” (quoted in Pant 2018). There is a reluctance among Quad states to be perceived as overtly trying to contain China, and the view of the Indo-Pacific from Beijing is hostile. An editorial in China’s *Global Times* responded to the U.S. renaming its Pacific Command to the Indo-Pacific Command by describing the Indo-Pacific as a two-pronged strategy: “first to instigate China and India into long-term infighting; second, to cope with the inevitable rise of India and strengthen Washington’s control of the Indian Ocean” (Global Times, 2018). The need to consider Chinese perceptions of the Indo-Pacific could therefore create a wedge in the Quad. The only existing multilateral cooperative endeavor among Quad states – the annual Malabar naval exercises – has yet to invite Australia to participate. Despite Canberra’s request for observer status in 2017, India refused Australian participation in the 2018 round, a rejection that occurred one week before Indian Prime Minister Modi made a state visit to Wuhan, China, where the focus was on a “reset” in the India-China relationship (Bachhawat 2018). Tokyo has also made overtures to better relations with China, with the Japanese government-backed banks providing funds for private Japanese firms to participate in BRI energy and

logistic projects (Sano 2018). Australia has likewise tried to maintain friendly relations with China, with former Prime Minister Turnbull responding to recent reports of a chill between them and claiming that Australia rejects the U.S. approach as an “out-of-date Cold War prism” and insisting that “we do not see any hostile intent from China. We do not describe China as a threat” (Karp 2018).

Reliance on allies – manifested in the idea of the Quad – as a pillar of the Indo-Pacific is therefore not especially sound. Washington’s approach under the Trump administration runs the risk of creating a more competitive political atmosphere across Eurasia and the Indian Ocean. This concern was articulated by Singapore’s Prime Minister Lee Hsien Loong when asked about joining the Quad: “We do not want to end up with rival blocs forming or countries having to take one side or another” (Wroe 2018). This is a likely outcome if leaders in Washington are not able to convince their counterparts in other Asian capitals to coordinate their Indo-Pacific policies; rather than the U.S.-led liberal order that has shaped events in Asia, a competitive multi-polar order emerges in which interests are pursued across Eurasia with a balance of power logic. Whether Lee’s fears will prove well-founded is perhaps one of the most important questions in International Relations (IR) scholarship today.

A large body IR literature in recent years has provided theoretical frameworks to analyze a transition from the U.S.-led unipolar order toward a less-centered multipolar one (e.g. Buzan and Lawson 2015; Acharya 2014; Kupchan 2012; Stuenkel 2016). These theories offer important insights into the shape that international order may take, with a common assumption that non-Western powers are gaining in influence, and among them China is poised to become a global rather than regional power. Realist assumptions about rising powers in international order anticipate systemic change. Gilpin’s classic *War and Change in World Politics* (1981, p. 9) began with the premise that:

[T]hose actors who benefit most from a change in the social system and who gain the power to affect such change will seek to alter the system in ways that favor their interests. The resulting changed system will reflect the new distribution of power and the interests of its new dominant members.

Other realist scholars writing about U.S.-China relations anticipate a competitive relationship, with a high probability for conflict as the U.S. tries to maintain its privileged position within the international system and China tries to carve out a larger role for itself (see Friedberg 2011; Mearsheimer 2015; Allison 2015). An Indo-Pacific strategy that is perceived by Chinese leaders as a means of preventing China’s rise to great power status will provoke an assertive response, making Allison’s (2015) Thucydides Trap a self-fulfilling prophecy. This interpretation of the future direction of international politics has profound implications for the Gulf region.

Indo-Pacific Competition: The Gulf States Recalibrate

As the international order transitions, fragile regional orders are under stain, and nowhere is this more evident than the Middle East. Fragile states throughout the region were exposed in the wake of the Arab uprisings, and wars in Iraq, Syria, Yemen, and Libya have threatened to spill over into neighboring states. While the Gulf – Iraq excluded – has managed to keep a lid on political instability, its regional order is vulnerable to pressure from the level of the international order. An Indo-Pacific featuring U.S.-China competition or hostility could disrupt a very delicate regional order.

At first glance, the Gulf does not seem to logically feature significantly in the Indo-Pacific. The Gulf states have maritime heritages that have historically linked them to other Indian Ocean societies, but they are not typically oriented towards points east; during their modern states period they have traditionally been focused on the wider Arab world and the West in their foreign policies. Geopolitically, however, the Gulf occupies a crucial chokepoint with the Hormuz Strait linking the region to Indian Ocean trade routes.

It is at the nexus of regional order and international order where a competitive Gulf order becomes apparent. The regional level has long been turbulent, with three major wars since the Iranian Revolution in 1979. It has in recent decades largely functioned as a tripolar system where Iran, Iraq, and the six monarchies have balanced against each other. While the monarchies have generally acted as a bloc since forming the Gulf Cooperation Council (GCC) in 1981, tensions between them have never been far from the surface, as the ongoing dispute between Qatar and the Anti-Terror Quartet (ATQ) of Saudi, the UAE, Bahrain and Egypt has laid bare. Given the volatility of the Gulf political environment, it is best understood as a regional security complex, which Buzan defines as “a group of states whose primary security concerns link together sufficiently closely that their national securities cannot realistically be considered apart from one another” (Buzan 1983, p. 106). Adopting the regional security complex framework for his analysis of Gulf international relations, Gause began with the premise that the Gulf states “focus intensely on each other and devote the bulk of their security resources to relations with each other and have done so for decades” (Gause 2010, p. 4).

This regional instability has largely been contained because of external pressures at the international level. The geostrategic importance of the Gulf as a hub linking several Eurasian and Indian Ocean regions has always made it important to major external powers, and this has intensified with the centrality of Gulf states in global energy markets. As such, extra-regional powers have long played outsized roles in managing regional political order. Until the end of the Cold War,

the larger systemic competition between the U.S. and the Soviet Union largely drove regional political events, but in the post-Cold War period the region has operated – often very uneasily – within the unipolar *Pax Americana*. In this order, the GCC, with their defense cooperation agreements with the U.S. and dense participation in international institutions, benefits from a status quo maintained by approximately 35,000 U.S. troops stationed in bases in Kuwait, Qatar, Bahrain, the UAE, and Oman.

Given their importance in global energy markets, the continued stability of the Gulf monarchies has contributed to the intensity of GCC-U.S. relations, despite few shared values or norms that are often attributed to this type of alliance. It is largely a set of relations built upon shared security concerns for the region and the need for Gulf energy to fuel the U.S.-led international order. The security architecture that the U.S. has developed on the Arab side of the Gulf since the end of the Cold War has ensured that neither Iran nor Iraq would act upon hegemonic ambitions, and also created an environment where other non-regional states have been able to develop stronger relations with each of the Gulf states without a corresponding role in contributing to regional security. Consistent with a strategic hedging approach, these extra-regional powers have increased their Gulf presence largely by economic means while not antagonizing the U.S. or other regional states (Tessman 2012). As a result, states like China, India, and Japan are becoming important Gulf actors in their own right, with substantial economic and strategic interests in the region (Fulton and Sim 2018).

While this is happening, the continued role of the U.S. in maintaining the Gulf regional order is increasingly coming under question, a perception especially prevalent in Saudi Arabia where leaders have viewed U.S. regional policy as divergent from their preferences. Much of this can be attributed to structural issues; the U.S.-Saudi Arabia relationship can largely be understood as an elite-level one in response to Cold War pressures, with little in the way of shared interests or values. The end of the Cold War exposed the limitations of such a relationship, making it difficult to maintain the same level of intensity:

Without a shared vision of the threats and the means to protect against them, oil interests alone could not return the relationship to its former closeness. Saudi leaders lost confidence in America's regional policy and tight US-Saudi relations were becoming increasingly unpopular at home. (Aarts 2007, pp. 390-391)

In this view, the U.S.-Saudi alliance was largely a response to the Soviet threat for both sides and was essentially an “elite bargain” (Aarts 2007, p. 403). Fissures in these alliances have become more visible in recent years. Gulf leaders were especially troubled by Obama’s interpretation of U.S. interests in the region, and this put significant strain on U.S.-GCC relations. His response to the 2010-11

Arab Uprisings was considered especially troubling. The downfall of Egyptian President Mubarak, a U.S. ally of over thirty years, was a sign for GCC leaders that their relationships with Washington were not as ironclad as presumed. This is a common feature in asymmetrical alliances; if alliance commitments from the stronger party are vague or uncertain, the weaker ally will fear abandonment (Snyder 1984, p. 475). For Kuwaiti political scientist Al Shayji (2014, p. 62), the U.S.-GCC relationship is a “textbook example” of the alliance security dilemma, stating “tensions between Washington and its Gulf allies are not the product of particular individuals on either side, but are built into the very nature of the relationship itself.” Several major regional events, including the 9/11 attacks, the U.S.-led invasion and occupation of Iraq, Washington’s response to the Arab Uprisings, and negotiations with Iran in the Joint Comprehensive Program of Action (JCPOA), have contributed to the perception within the GCC that their longstanding reliance on the U.S. as a security guarantor should diminish, made evident when the UAE’s Minister of State for Foreign Affairs said: “In this current international system, it is no longer ‘write a cheque and someone is going to come and secure the stability in the region.’ You have to do some of the burden-sharing” (James, 2018).

The transition from Obama to Trump provided initial relief for leaders in the Gulf monarchies, with the UAE’s *Gulf News* proclaiming in a headline, “US Policy Back on Track in the Region” (Gulf News 2017). Trump has certainly aligned the U.S. closer to the GCC side of the Gulf and even further from Iran. In his visit to Riyadh, his first overseas destination as president, he promised closer cooperation with the GCC, and described the Iranian government as one that “speaks openly of mass murder, vowing the destruction of Israel, death to America, and ruin for many leaders and nations in this very room” (Hubbard and Erdbrink 2017). His May 2018 withdrawal from the JCPOA and announcement that the U.S. would “be instituting the highest level of economic sanction” against Iran further aligns Washington with the preferred foreign policy orientation of the UAE and Saudi Arabia (The White House 2018). At the same time, his administration’s approach to the Qatar-ATQ dispute demonstrated a lack of leadership in the Gulf, as the Departments of State and Defense tried to mediate while the White House, through the president’s Twitter account, supported the ATQ and accused Qatar of sponsoring terrorism, tweeting, “During my recent trip to the Middle East I stated that there can no longer be funding of Radical Ideology. Leaders pointed to Qatar – look!” Within months, however, Qatar’s Emir Tamim bin Hamad Al-Thani was invited for a White House visit, where President Trump described him as a “great friend” and thanked him for Qatar’s role in combatting terrorism (Baker 2018). Washington’s inconsistent approach to the crisis has reinforced the perception of a less reliable and engaged U.S. in the Gulf.

Meanwhile, China and India have been pursuing denser ties with states throughout the Gulf. Their hedging strategies are meant to maximize benefits while not disturbing other important regional states; a stable Gulf is in the interests of both Beijing and New Delhi. The Duqm Special Economic Zone (SEZAD) provides one example where their interests converge. Being developed by a consortium of Chinese companies with Chinese funding, SEZAD is situated along Oman's 3,100km Arabian Sea coastline, providing an access point for Gulf energy that bypasses the Hormuz Strait, designed to "redirect traffic away from the Gulf and alter the configuration of the current maritime routes of the Indian Ocean" (Staples 2017, p. 362). It projects to be an important energy port, with a refinery and crude storage facility. Given the significance of Gulf energy to India – in 2016, nearly 64 per cent of its oil imports were supplied by Gulf states (CIA Factbook 2016) – SEZAD is an important project for leaders in New Delhi. When Prime Minister Modi visited Oman in early 2018, he signed a Memorandum of Understanding on Military Cooperation with Oman that secured Indian access to Duqm for military use and logistical support, as well as the use of its dry docks for maintenance and repair of Indian ships (Roy 2018). Infrastructure development and connectivity is therefore a public good that has the potential to benefit multiple states, demonstrating how Indian and Chinese interests can align in the Gulf, and reinforcing the point that Indian leaders must maintain a balance between cooperating with Washington while not antagonizing Beijing.

At the same time, China's BRI projects bump against Indian interests in South Asia, and here is where it becomes apparent that tensions in one region have the potential to spill over into another. The depth of Chinese BRI engagement in Bhutan, Nepal, Bangladesh, the Maldives, Sri Lanka, and Pakistan are perceived as unwelcome intrusion into a region that has always been an Indian sphere of influence. Chinese support for Pakistan, exemplified by Chinese-Pakistan Economic Corridor (CPEC), is the most significant problem. CPEC cuts through contested territories, creating sovereignty issues for India in Gilgit-Baltistan while empowering New Delhi's most significant security concern. China has been described as "the cornerstone of Pakistan's strategic foreign policy" (Small 2015, p. 118) and its investments into CPEC are substantial, with contracts worth over \$46 billion signed when President Xi Jinping visited Islamabad in 2015 (Houreld 2015).

In response to CPEC, specifically the development of Gwadar port, India has engaged more deeply with Iran. The most significant bilateral project has been the Chabahar port project, with investments pledged totaling \$500 million and a leasing agreement that gives India operational control (Dawn 2018). Chabahar, 90 kilometers from Gwadar, is Iran's only non-Gulf port and has existing transportation infrastructure that links it to Afghanistan and Central Asia, providing

India with overland access routes that do not cross Pakistani or Chinese territory. Given the depth of Iranian ties to China in BRI-related projects, this could appear to be, like SEZAD, an area where China and India could adopt a more cooperative approach to developing a public good. However, the strategic importance of Chabahar to India is as significant as the economic benefits; the potential for Gwadar to become a de facto Chinese naval base indicates that a balancing logic is at play. India's response to CPEC therefore has the potential to play out in Iran, which in turn would concern the monarchies of the Arabian Peninsula.

The view from the GCC is an important consideration for New Delhi, as its engagement with the GCC states has intensified in both economic and strategic spheres. India-GCC relations were long relegated to the economic side, with energy trade and remittances from the 8-million-strong non-resident Indian diaspora in the Gulf being the bulk of the relations. In recent years, however, large-scale Indian investment in the GCC infrastructure and development projects has taken a larger role in economic relations, and maritime security issues have become more prominent as New Delhi seeks to protect its energy and investment interests. The strategic nature of this recalibration has been evident in a defense cooperation agreement Prime Minister Singh signed during a 2014 state visit to Saudi Arabia and a joint communique from Prime Minister Modi's state visit to the UAE in 2015 describing the "boundless potential for a natural strategic partnership between India and the UAE" (Ministry of External Affairs, Government of India, 2015). India's "Look West" policy indicates a continued growth in its strategic relations with the GCC.

On the southern side of the Gulf, China has also been especially active, with economic relations with each of the Gulf monarchies intensifying tremendously in recent years. The total volume of China-GCC trade was valued at approximately US\$10 billion in 2000; by 2016 it was worth US\$144 billion. Trade and financial integration are both major focuses of BRI cooperation, and the GCC states are well established in both with China. The growth in trade is projected to continue and should a long-negotiated China-GCC free trade agreement come to completion, will be a significant driver in economic relations (Qian and Fulton 2017, pp. 16-17). All GCC states are members of the AIIB, and the UAE and Qatar have established joint BRI investment funds with China, while Saudi Arabia has signed a memorandum of understanding with China to create a \$20 billion joint BRI investment fund. Chinese firms are actively participating in Gulf infrastructure and construction projects, and with this has come a sizable expatriate community on the Arabian Peninsula.

Given this substantial economic presence, with assets and citizens concentrated in a geopolitically significant yet volatile region, it is not surprising that there is a nascent security element to the China-GCC relationship. Limited thus far

to naval visits, joint training exercises and arms sales, both sides have expressed an interest in deeper security coordination (Fulton 2018). With the Djibouti base and Gwadar port a potential naval facility, Chinese forces could soon be positioned to participate in Gulf security affairs. While the US has by far the most powerful military capabilities in the Gulf, and no other state or coalition of states could presume to challenge it, Beijing can easily make a logical case for an increased military capability of its own. The 2015 evacuation of 629 Chinese nationals and 279 other foreign nationals from Yemen was the first time China's navy conducted a solo non-combatant evacuation operation and emphasized the importance of building a stronger naval presence in unstable regions. With such a large footprint in the Gulf, it will likely not be long before the People's Liberation Army Navy plays a larger role in protecting energy shipping lanes and Chinese interests in the region. As such, the end of China's hedging strategy in the Gulf could transition into a more active political and security role, and with an Indo-Pacific order characterized by U.S.-China competition, the Gulf could become a theatre for great power competition.

Conclusion

Regional tensions in the Gulf are not a new phenomenon but combined with uncertainty at the level of the international order the regional order is increasingly strained. Gulf states have adopted more assertive foreign policies since the Arab Uprisings, and the U.S. military preponderance has not translated into political leadership. It has provided a relatively stable and low-cost entry for extra-regional powers to develop stronger relations in the Gulf; however, and as Gulf leaders' dissatisfaction with U.S. policies has intensified, the door has opened for these other powers to build upon their economic presences. In the case of China, its Belt and Road development and connectivity is an attractive vision of Asian order for Gulf leaders who see potential to align BRI projects with their own domestic infrastructure programs.

At the same time, China's success has consequences for other Asian powers, and inspires different responses. India, Japan, and Australia are clearly concerned about the shape a China-led Asia would take but are also concerned about alienating Beijing with the perception of an Indo-Pacific as a containment policy. Their vision of the Indo-Pacific remains a means of maintaining a rules-based liberal order that would socialize China. For their part, Chinese leaders emphasize that they do not see the BRI as a competing order, but an initiative that reinforces the existing one. All concerned seem to favor the status quo, for the time being at least.

The U.S. reframing of the Indo-Pacific, as a means of containing China, however, runs the risk of disrupting regional orders throughout Asia. In treating a rising

China as a revisionist power, Washington's current Indo-Pacific policy could well lead to more aggressive response from Beijing, which could impact its strategy in regions where it has wanted to develop stronger economic and diplomatic relations while not establishing a military footprint. In order to protect its economic interests, China will have to pursue a more active approach to counter U.S. balancing against it in the Indo-Pacific. This will have consequences in the Gulf, as this competition at the level of international order strains an already fragile Gulf regional order.

Bio

Jonathan Fulton is an Assistant Professor of Political Science in the College of Humanities and Social Sciences at Zayed University, in Abu Dhabi, UAE. He received his PhD in International Relations from the University of Leicester, UK, where his dissertation focused on China's relations with the Gulf Cooperation Council member states. He has written widely on China-Middle East relations for both academic and popular publications. He is the author of *China's Relations with the Gulf Monarchies* (Routledge) and co-editor *External Power and the Gulf Monarchies* (Routledge).

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