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Abstract

Both Saudi Arabia and the United Arab Emirates have demonstrated a significant shift in their foreign policy orientation since the revolutionary turmoil of the Arab Spring in the early 2010s. Both countries have asserted a more ambitious and independent foreign policy that seeks to shape rather than simply to react to political developments in the region. Interventions in Bahrain, Yemen, and Libya, and sanctions against Qatar, are evidence of this new pro-active foreign policy. Saudi Arabia and the United Arab Emirates have, at the same, also shown a greater independence from their principal extra-regional ally, the United States, and an increased willingness to engage with Russia and China. This chapter seeks to explain the reasons for this more visible engagement with multiple extra-regional powers. The argument is that, though this approach includes strategic hedging, it cannot simply be reduced to this as there is evidence of multiple inter-connecting strategies, including bandwagoning and balancing as well as hedging. This variation in differing forms of alignment is itself a reflection of the complexity of the layered multipolar systems that define the Middle East region.

Introduction

Saudi Arabia and the United Arab Emirates (UAE) have demonstrated an increasingly activist and interventionist foreign policy orientation. This has been most marked since the

revolutionary turmoil of the Arab Spring which brought about regime change in Egypt, Tunisia, and Libya and threatened to unseat the longstanding regimes in Bahrain and Syria. In response to this revolutionary dynamic, the Saudi and UAE governments became more proactive in seeking to shore up friendly regimes, with interventions in Bahrain in 2011 to support Sheikh Hamad Al Khalifa against local protests and in Yemen in 2015 to support the Hadi government against Houthi insurgents. In Syria, Libya, and Lebanon, Saudi Arabia and the UAE have used military, political, and economic instruments to seek to ensure their preferred political outcomes. The consequence of these ambitious foreign policy initiatives is that there has been a significant shift in their strategic orientation, moving away from the traditionally more cautious and economic-driven foreign policy approach. Rich and Moore-Gilbert (2019) describe this shift as being from a tradition of defensive to a new offensive realism, from being essentially status-quo powers to being ones who actively seek to revise and change the regional political order.

Parallel to this shifting foreign policy orientation, there has been a significant questioning and loosening of their traditional strategic dependence on the United States of America. Ever since the withdrawal of the British from the Gulf region, and even more markedly after the 1979 Iranian Revolution, the GCC states, including Saudi Arabia and the UAE, have depended on their *de facto* alliance with the United States. They have been militarily reliant on the USA to counter the preponderant military and political power of their larger Gulf neighbours – Iran and Iraq. During the Cold War period, there was also no alternative extra-regional power that could credibly play this role. The Soviet Union, with its support for radical Arab nationalist regimes, represented an ideological and political threat to the traditional monarchical regimes among the Gulf states. Communist China was even more problematic, given its historic support of revolutionary forces in the Gulf countries. With the collapse of the Soviet Union, neither

post-Soviet Russia nor post-Mao China had a significant presence in the Middle East that could, in any way, counter US hegemony (Dannreuther 2018).

This almost unqualified dependence of the Gulf states on the USA changed at the same time as the foreign policies of Saudi Arabia and the UAE became more pro-active. While Russia's military intervention into Syria in 2015 undermined Saudi Arabia and the UAE's strategic interest in the overthrow of the Asad regime, both countries increasingly recognised Russia as a significant strategic actor in the Middle East. In contrast to the Soviet Union, Russia was welcomed into OPEC through the OPEC+ arrangement and Russia thereby became a co-decision-maker within the cartel. In 2017, the historic first visit of the Saudi Monarch, King Salman bin Abdulaziz, to Moscow instituted a qualitatively new phase in Saudi-Russian relations. China's engagement with the Gulf region has been similarly greatly enhanced. Xi Jinping's state visit to Saudi Arabia in 2016 established a comprehensive strategic partnership, the highest level of partnership in the Chinese framework, that was also later agreed with the UAE (Fulton 2019; 2020). This developed a '1-2-3' pattern of cooperation for the Gulf region as a whole, with energy at its core, infrastructure and trade as secondary, and nuclear energy, space satellite, and renewable energy as further priorities. In addition, Saudi Arabia and the UAE are beneficiaries of China's Belt and Road Initiative (BRI), and both see parallels between their ambitions for economic modernisation and the developmental path adopted by China. There is also the economic reality that China has become the largest consumer of Saudi and UAE oil, representing for both of them their largest external trading partner (Rutledge and Polyzos 2022).

As Saudi Arabia and the UAE have become more engaged with both Russia and China, relations with the United States have become more tense and complicated (Quero and Dessì 2021). At the roots of this is the widespread perception that the USA seeks substantially to withdraw from the region after the failures of its wars in Iraq and Afghanistan (Juneau 2020: 186). During the Arab Spring, the failure of the USA to come to the defence of President Hosni Mubarak in Egypt, and its embrace of the Egyptian revolution as a potentially democratic moment, undermined faith that the USA was committed to regime stability among the Arab monarchs. In Syria, the failure of President Obama to intervene militarily in Syria in 2013, despite the Assad regime's breaching of the 'red line' of the use of chemical weapons, weakened US credibility. Russia's subsequent successful military intervention to prop up the Syrian regime in 2015 only added to this perception of US weakness. US ambivalence, and at times hostility, towards the Saudi-UAE military intervention into Yemen only added to the sense of Gulf disillusionment.

The result is a significantly more complex regional and international context that provides the setting for Saudi and UAE foreign policy. This has led to a more pro-active and multi-pronged interventionism and a willingness to engage with multiple external actors. One way theoretically to describe this more expansive and independent foreign policy is to argue that it is a paradigmatic case of strategic hedging – the aim of being on good terms with all significant external powers, precisely so as to avoid the need to decide to either balance or bandwagon with one or other of them. This chapter argues that there is much merit in such a theoretical explanation but that it does not fully capture the reality of a complex mix of balancing, bandwagoning, and hedging in the Gulf region. This complexity is itself a reflection of the interlocking multipolar systems in the Middle Eastern regional order. The next section expands on this theoretical argument. The following three sections examines the policies of Saudi

Arabia and the UAE towards the three major competing extra-regional powers – the USA, Russia, and China.

Balancing, bandwagoning, and hedging

It is difficult to provide a clear definition of the difference between balancing and bandwagoning. These concepts are an integral part of neo-realist theory, but neo-realist theory has a number of variants. In the offensive realist tradition, the question of whether a state balances or bandwagons is determined by the distribution of power; if you are powerful enough to counter an external threat, you balance; if you are too weak to counter that threat, you bandwagon (Waltz 1979; Mearsheimer 1990). However, if you adopt the defensive realist tradition, which argues that states balance against threats rather than against power, then balancing becomes a more pervasive strategy with bandwagoning being more exceptional (Walt 1987). If, however, you take a neo-classical realist approach, then the decision whether to balance or bandwagon cannot be determined without taking into account domestic political interests and preferences (David 1991; Barnett and Levy 1991). Also, as Schweller (1994) has influentially argued, if you do not assume that balancing and bandwagoning only occur in reaction to external security threats, then states may be tempted to bandwagon simply for the opportunities of gain that such cooperation with more powerful states offers.

It is understandable with such ambiguities surrounding the concepts of balancing and bandwagoning that the alternative concepts of ‘strategic hedging’ or ‘omnibalancing’ have become increasingly popular (Lake 1996; Tessmann 2012; Nonneman 2006). Evelyne Goh’s (2005: 2) classic definition of strategic hedging offers a transcendence of the dualistic opposition between balancing and bandwagoning through a “set of strategies aimed at

avoiding… straightforward alternatives such as balancing, bandwagoning or neutrality". For countries in the Global South, who often have to manage the interests of multiple extra-regional and regional actors, it has clearly been attractive not to have to choose between competing external powers. More generally, balancing and bandwagoning are easier to apply in structural conditions of unipolarity and bipolarity but significantly more complicated when the power structure is multipolar (Tessmann 2012: 193). In addition, the concepts apply more clearly in the military/security but less clearly in the economic and political domains (Demmelhuber 2019: 113).

When considering the specific case of Saudi Arabia and the UAE, their contemporary regional security environment fits the model of a multipolar regional system (Kausch 2015). There are three inter-connected layers of power configurations that, while multipolar in their general nature, also incorporate bipolar and unipolar elements. At the extra-regional level, the system is partially unipolar, with the USA dominating the military-security sphere, but where there is increasing multipolarity at the economic and political level, with China and Russia offering differing modes of support. At the regional Gulf level, there is an overarching bipolar balance between Iran, and its predominantly Shi'i allies, and Saudi Arabia with its Arab Sunni allies (Gause 2017). But in the more specific inter-Arab regional order, there is a more complex multipolar order where the historically strong Arab hegemonic powers – Egypt, Syria, and Iraq – are internally weak and divided and which has provided opportunities for the Gulf Arab states to play a more influential role in regional inter-Arab politics (Rosman-Stollman 2004). In the third layer of the Arab Gulf region, there is a hegemonic dominance of Saudi Arabia but the potential for bipolar division, as seen with the conflict between Saudi Arabia and Qatar. What makes all this more complex is that these three layers - extra-regional, regional, and intra-regional - inter-connect in multifaceted ways.

It is tempting when confronted by this complexity to argue that Saudi and UAE have shifted from dependence on the USA to a more ambivalent policy of strategic hedging, playing off the USA with China and Russia. While this simplifies the overall picture, it misses out the ways in which strategies of balancing and bandwagoning remain in play. The rest of this chapter seeks to define this mix of balancing, bandwagoning, and hedging that characterises Saudi and UAE strategy. The main argument is that the relationship with the USA involves both balancing and bandwagoning as the two states are acutely dependent on the security support they receive but are deeply anxious of the contingent nature of that support and the demands that are made to sustain this support. Russia, in this regard, does provide a clear hedging alternative and the relationship developed with Moscow is one that both balances against the USA and provides insurance against Russian policies that might undermine Saudi and UAE interests. In relation to China, the policy is one more focused on balancing as China's power and influence in the economic sphere becomes increasingly predominant and as China offers a political model than is internally more attractive than the US model of liberal democracy.

The United States: mix of balancing and bandwagoning for military security

There is, as noted above, a mix of strategic balancing and bandwagoning in the relationship between the United States and the Gulf states of Saudi Arabia and the UAE. The balancing dimension of this relationship is grounded in the common endeavour to deter Iran and has its foundation in the 1979 Islamic revolution in Iran that ushered in a period of Islamic revolutionary turmoil. For Saudi Arabia and the UAE, the threat has consistently been viewed as an existential one – their very survival as states is seen to be at stake. There might be some variation in the intensity of the perception, with Saudi Arabia being generally recognised as

taking a more hard-line position, but this sense of deep insecurity caused by Iran's revolutionary Islamic foreign policy is shared among the Gulf Arab states (Juneau 2020: 188).

For the United States, the threat is not an existential one but nevertheless the Iranian revolution threatened core US interests in the Middle East. During the Cold War period, Michael Hudson (1996) defined these interests as threefold: oil, Israel, and anti-communism. The Iranian revolution threatened all three. Iran's position as a major oil producer and its geostrategic position dominating the Persian Gulf shoreline, with the potential to block the Hormuz Strait, meant that Iran represented a vital threat to US, and thereby global, energy security. The Islamic Republic of Iran's radical anti-Zionist ideology, allied to its resolve to develop nuclear weapons, constituted a major threat to Israel's security. And the fact that the 1979 revolution was followed by the Soviet invasion of Afghanistan meant that there was also the potential threat of Soviet expansionism to the Persian Gulf region.

There was, therefore, a strong mutual interest between the USA and the Gulf states to join together to balance against Iranian power. The formal expression of the US resolve to defend its interests in the Gulf region was the 1980 Carter Doctrine that stated that the USA would use military force, if necessary, to defend its national interests in the Persian Gulf. Over the next three decades, the US security and military presence expanded and intensified through the course of three wars: the 1980-88 Iran-Iraq war; the 1990-91 First Gulf War to liberate Kuwait; and the 2003 second Gulf War to overthrow the Iraqi regime of Saddam Hussein. During this period, bilateral military agreements with the GCC states led to the USA developing military bases across the region: Qatar became the forward headquarters of US Air Forces Central Command (AFCENT); the US Fifth Fleet is headquartered in Bahrain as well as the US Naval

Forces Central Command (USNAVCENT); and both Kuwait and the UAE host sizeable numbers of US forces, while there remains a significant capacity for a US military presence in Saudi Arabia, which is reserved for times of crisis (Degang 2010).

These US military commitments have provided Saudi Arabia, the UAE, and other Gulf states with the strategic power effectively to balance against the larger and the militarily stronger Iran and Iraq. Without such a US deterrent force, the Gulf states would probably have had no option but to bandwagon with Iran. However, the relationship with the United States is not, as is the case in Europe, based on a set of mutual values including democracy and human rights. The relationship is instead based primarily on common interests. This has two implications. The first is that when these interests change or diminish for the dominant power, with for example the end of the threat of communist subversion or a reduction of US oil dependence on the Middle East, then the nature of the strategic relationship changes and its value is reduced. The second is that the security reassurance provided by the USA is in constant tension with the autocratic nature of political governance in the region that conflicts with US core values. In this way, the USA represents a mix of friend and enemy, and in confronting the more disruptive and confrontational aspects of the relationship, the Gulf states face the challenges common to those who bandwagon for security protection.

Two of the US values in its foreign policy are particularly problematic for the Gulf states, including Saudi Arabia and the UAE. The first is the US commitment to the defence of Israel. While Saudi Arabia and the UAE have not had the same level of hostility towards Israel as the radical Arab nationalist regimes, there has traditionally been a reticence to be seen publicly to betray the Arab Palestinian cause or officially to support the US strategic relationship with

Israel. This has lessened with the UAE and Bahrain (but notably not Saudi Arabia) signing up to the Abraham Accords in 2020. However, the strategic priority accorded to Israel, and the commitment to ensure that Israel maintains a posture of regional military superiority, complicates arms negotiations with the USA. Saudi Arabia has also always had a strong Islamic sensitivity over Israeli control over the third most holy Muslim site of the al-Aqsa mosque in Jerusalem, where it has claims for custodianship. The second conflicting value is US promotion of democracy and human rights. The autocratic and theocratic nature of power in the region has been a political embarrassment for the USA, exposing the instrumental and interest-based nature of the strategic relationship. The role that Saudi Arabia might have played, indirectly or directly, in the terrorist attacks of 9/11, also remains a major source of controversy within the United States (Wright 2006).

The fact that Saudi Arabia and the UAE are, at least partially, bandwagoning with the USA leads to certain structural constraints that create internal tensions within the strategic relationship. These can be theorised by using alliance theory developed initially in relation to NATO and the US-European transatlantic relations (Snyder 1984; Jervis 1978). Like European allies of the USA, but to a greater level of intensity, there is a constant fear among the Gulf rulers of US abandonment. This is a fear that the USA will fail to provide the security guarantees that it is formally committed to. On the part of the USA, there is a complimentary fear of entrapment, meaning that the USA might be dragged into conflicts that are pursued for the interests of the Gulf states but not those of the USA, with the potential for a dangerous broader escalation of tensions. Alongside this, there is a perennial ‘burden-sharing’ debate, where the USA in the Gulf as much as in Europe questions whether the costs that it expends for the public good of security is adequately compensated by the local beneficiaries (Hartley and Sandler 1999).

It is the intensification of these internal tensions that explain why the Gulf states have become increasingly disillusioned with the United States. Fear of abandonment has grown more acute. This emerged with the failure of the 2003 invasion of Iraq to bring stability to Iraq, empowering the Shi'a majority within Iraq, and strengthening Iranian influence in the country. Barack Obama's two terms as President (2009-2017) added further to the disillusionment of the Gulf Arabs (Gerges 2012; Krieg 2016). He came to power in 2009 with a commitment for a 'Pacific pivot' away from the Middle East to East Asia and to take a stronger stance in favour of democracy and human rights. The failure of the US administration to support the Egyptian President, Hosni Mubarak, in the Arab Spring revolts in 2011 undermined faith in the USA as a protector of regime stability. The US willingness to sign up to the 2015 Iran nuclear deal, the so-called Joint Comprehensive Plan of Action (JCPoA), with other UN Security Council members, was viewed as a radical weakening of the US commitment to balance against Iranian irridentism. Likewise, the failure of the USA to support the Saudi ruling family, most notably Crown Prince Mohammed bin Salman, after the state-sponsored assassination of the Saudi journalist, Jamal Khashoggi, created further tensions and disillusionment.

On the part of the USA, the fear of entrapment, of being drawn into conflicts that are not in the US interest, has intensified as Saudi Arabia and the UAE have adopted more interventionist foreign policies. Obama resisted Gulf pressure to intervene more forcefully in Syria, crucially deciding not to use military force against the supposed 'red line' of the regime's use of chemical weapons in 2013. The Saudi-UAE intervention into the Yemeni civil war from 2015 has had a similar effect, generating significant political opposition within Washington (Juneau 2020). In 2018, the US Senate put forward a resolution against any external involvement in the

Yemen War that was approved in 2019. The perception that Saudi Arabia and the UAE were utilising US arms to aggravate a humanitarian disaster in Yemen has only added to the public sensitivity in Washington that the USA was indirectly supporting autocratic aggression.

These internal tensions between the USA and both Saudi Arabia and the UAE reflect the internal dynamics of bandwagoning, where subordinate allies confront the demands of their more powerful patron. But, despite the divergences in values that structure bilateral relations, there is no credible alternative for Saudi Arabia and the UAE but to rely on the USA for military security against their most powerful external enemy, Iran. One of the costs of this, however, is that they need constantly to satisfy the USA in relation to the question of burden-sharing. This means, in practice, agreeing to large-scale conventional arms transfers, basing rights and military-to-military cooperation. Although the Gulf states regularly publicise their willingness to buy arms from China and Russia, with the UAE recently suspending discussions with Washington about the purchase of F-35 aircraft, the reality is that continued large-scale arms purchases from the USA and its Western allies is a necessary pre-condition for continued US protection. Ultimately, the glue that holds together the strategic alliance is the long-term Gulf investments in US military bases, the multi-decade defence contracts, and strong military-to-military cooperation (Hokayem 2021). This is the bedrock of Gulf security that is unlikely to be changed in the short to medium term, despite internal tensions and external challenges.

Russia: the art of strategic hedging

Although there has been much discussion about the recent ‘return’ of Russia to the Middle East, Russia lacks the long-term investment in military support for Saudi Arabia, the UAE, and other Gulf states that the USA and its European allies have provided over many decades (Issaev

and Kozhanov 2021; Frolovsky 2018; Dannreuther 2019). There is no way, therefore, that Russia could replace or even seriously challenge the military dominance of the USA, and the West more generally, in the Gulf region. It is not just that Russia has been absent from the Middle East and the Gulf region for most of the post-Soviet period. It is also that Russia has never historically had strong relations with the Gulf Arab rulers. During the Tsarist period, the Persian Gulf remained under British imperial control, and this continued up until the 1970s. The USA has also had long-term engagement in the region with the strategic relationship with Saudi Arabia being initiated in the 1940s. During the Cold War period, communist Soviet influence was perceived among the traditional Arab monarchs as directly threatening their interests and regional stability (Yodfat and Abir 1977). The Soviet Union was generally perceived to be an alien, atheistic, and revisionist force.

This generally negative perception did not radically change with the collapse of the Soviet Union. The domestic repression of Muslims within post-Soviet Russia, most notably with the brutal crackdown of the Chechen Islamist insurgency, confirmed for many Gulf Arabs that Russia was an anti-Muslim force. The Russian support of the Serb attacks on the Muslim Bosniacs and the Kosovars in the former Yugoslavia confirmed this sense of an entrenched Russian Islamophobia. This negativity was reciprocated on the Russian side by a perception that Saudi Arabia, the UAE, and other Gulf states were providing financial and moral support to Muslims within Russia and directly encouraging their radicalisation (Verkhovsky 2010). Indeed, the term commonly used in Russia to describe Islamic radicals has been to call them Wahhabis, despite attempts by Saudi Arabia to challenge the appropriateness of this (Dannreuther 2010: 12-13). The decision during the Arab Spring for Russia to support President Bashar Assad against the Sunni-dominated Islamic opposition was seen as a continuation of an anti-Islamic foreign policy antithetical to the Gulf Arab interests. In

particular, Russia's actions undermined the significant investments of Saudi Arabia and the UAE in supporting the opposition to Assad. For Riyadh and Abu Dhabi, Russia was viewed as propping up a pro-Iranian regime that has consistently sought to undermine Gulf interests, most notably in Lebanon.

The question is, therefore, what changed this mutual Russian-Gulf Arab sense of distrust and suspicion. Paradoxically, it was the action that most damaged Saudi and Emirati interests in Syria, the decision by Moscow militarily to intervene in Syria in 2015, that most significantly changed perceptions. Although the intervention undermined Saudi and the UAE's interests by perpetuating Assad's hold on power, the decisiveness of the Russian action was itself impressive, contrasting with the vacillations and indecisiveness of the Americans. Russia's insertion into the Syrian civil war, and Moscow's subsequent skilled diplomatic engagement that made it the key negotiator between the warring parties, also meant that the Gulf states, such as Saudi Arabia and the UAE, had no option but to engage diplomatically with Moscow. The 2015 intervention confirmed that Russia was now a committed and engaged external actor in the Middle East and that its interests could no longer be ignored (Dannreuther 2015; 2019: 736-737). In addition, the fact that Russia had substantive relations with all the major actors in the region - Iran, Turkey, Syria, and Israel - meant that it had a unique role as a mediator and interlocutor. This can be seen in the Yemen civil war where Russia was one of the few external powers who could engage both with the Houthis and with the Hadi government (Katz 2021). For Saudi Arabia and the UAE, engagement with Russia was not only needed to support their objectives, to act as a conduit to the Houthis and the Iranians, but also as insurance against Russia working with Iran to undermine their interests in Yemen.

This shift towards greater engagement with Russia includes, therefore, a mix of opportunity and protection. This is a classic case of strategic hedging – of keeping your options open and ensuring your engagement with an opponent who can also potentially be a supportive ally. This more supportive dimension to these bilateral relations can be seen in three areas where Russia has helped Saudi Arabia and the UAE to counter the negative consequences of US policy preferences and the costs of bandwagoning. The first of these is Russia's support for regime stability and its opposition to the political activities of the Muslim Brotherhood. Russia, unlike the USA, has defined the Muslim Brotherhood as a terrorist organisation and its position is closer to the highly negative stance of Saudi Arabia and the UAE. Russia has joined these two countries in supporting the anti-Muslim Brotherhood insurgency of Khalifa Haftar in Libya, while the USA has continued to support the officially recognised government in Tripoli. Second, Russia has provided open and unqualified support for the processes of authoritarian modernisation and political centralisation that both Saudi Arabia and the UAE have launched under new leaderships over the last decade. It was notable that while Crown Prince Mohammed bin Salman was shunned by Western leaders after the assassination of Khashoggi, he was very publicly embraced by Putin (Barnes 2020). In contrast to the USA, Russia has gained support through being a supporter of the *status quo* and as an opponent to popular protest and the calls for democratic reform and human rights advocacy.

The third area is in relation to the economics and politics of oil. The traditionally inter-dependent and mutually beneficial oil relationship between the USA and Saudi Arabia changed significantly with the discovery in the USA of abundant shale oil supplies. This discovery reduced US dependence on Middle Eastern oil and moved the USA from being the largest consumer and client of Gulf oil to being a major competitor oil producer. A consequence of this has been a convergence of interests between Russia and the Arab oil producers to ensure

that their oil industries are not undermined by the US shale revolution. The inclusion of Russia with the OPEC+ agreement has meant that Russia now plays a direct role in production volume negotiations. In September 2022, OPEC+ appeared to support Russia by agreeing to reductions in production volumes against the wishes of the USA, with President Biden unsuccessfully lobbying Saudi Arabia to increase output (Kozhanov 2022).

These areas of a convergence of interests between Russia and both Saudi Arabia and the UAE do demonstrate a significant shift in the power balance between the major extra-regional external powers. Russia is undoubtedly again a major player in the region. However, its role should not be exaggerated. Russia cannot replace the military/security role provided by the USA. Russia's relatively small economy means also that its economic influence is limited. Nevertheless, the return of Russia does strengthen the bargaining power of the Gulf states, allowing them to develop hedging strategies with Russia to offset US dominance and hegemony.

China: balancing for the future

In terms of historical engagement in the Gulf region, China has even less of a connection with the region than Russia. While Tsarist Russia had significant interests in the Middle East, China lacked a colonial or imperialist engagement. There was a relatively short period in the 1960s and 1970s when Mao's China sought to export revolution to the region, with Chinese support extended to the Dhofar rebellion that sought to liberate the Dhofari region from the British-supported Sultan of Oman (Shichor 1979). But such radical commitments did not last long and, after the start of the economic reforms of Deng Xiaoping in the late 1970s, China's interest in

the Middle East has primarily been of an economic nature. In the 1980s, this was predominantly in the area of arms sales, where China became a relatively minor niche provider (Shichor 2000).

From the late 1990s onwards, the economic growth in Chinese trade and investment has accelerated dramatically (Rutledge and Polyzos 2022). After China became a net oil importer in the mid-1990s, oil exports from Saudi Arabia and the UAE have risen at a fast rate, with China becoming by 2017 the largest importer of oil from the region with between 40% to 50% of its imports from the Gulf states. Bilateral trade has also blossomed with GCC states' share of their exports to Asia rising from 32% in 1980 to 51% in 2019. The share of Asian countries, of whom China is the most significant, is 16 times greater than that of the USA (3.1%) and nine times greater than the six largest European economies (5.8%). A similar pattern can be seen in terms of imports with China and Asia increasing their share by 9.7% in the period from 1980-2019 while US imports have declined by 15.5% and the EU6 by 7.4%. Overall, Saudi Arabia, the UAE and other Gulf states have made their own 'Pacific pivot' and increasingly see their economic fortunes as tied with China and other Asian states. This follows a clear economic rationale of a symbiotic economic relationship between energy-hungry East Asia and petroleum-exporting GCC states. For Saudi Arabia and the other GCC states, the strategic logic is to develop their downstream added value derivatives and petrochemicals in China and other parts of East Asia as a means to achieve their long-term goal to diversify away from the export of hydrocarbons.

As compared to Russia, China therefore represents a much more important economic partner for Saudi Arabia and the UAE. It is not just that the Russian economy is much smaller than that of China but also, with both Russia and the GCC states being oil producers, their

economies are competitive rather than complementary. But what is interesting is that this also increasingly applies to the USA and its Western allies. For the USA in particular, it is projected that imports of oil from the Gulf region will reduce to a mere 100,000 barrels a day (b/d) by 2035 while China's imports will rise from 4 million to 6.7 million b/d. (Downs 2013). The balance of trade and investment is also moving increasingly to favour China and East Asia rather than the USA and Europe. This has led to a natural sense among leaders in Saudi Arabia, the UAE, and other Gulf states that the future is in the East rather than the West. The attraction of the East is also seen in how the strategic plans put forward by Riyadh and Abu Dhabi reflect and resonate with China's own experience of economic development and seek to develop synergies onto Xi Jinping's personal commitment to the ambitious Belt and Road Initiative.

The Saudi Vision 2030 has explicitly confirmed that there are synergies with the BRI, such as the ambitious Saudi plans for Neom city as being a key area for Sino-Saudi cooperation. As noted earlier, Beijing has committed itself to a comprehensive strategic partnership with Saudi Arabia according to a 1+2+3 cooperation pattern, with energy as the central pillar, infrastructure, and trade and investment as the second pillar, and three breakthrough areas of nuclear energy, space satellites, and new energy as the third pillar. Similarly, the UAE's Dubai Dream that seeks to make the UAE the commercial and financial hub connecting East and West and the ultimate 'nexus state' is well suited to Chinese ambitions in the region. This clearly links well with the China's hopes for the BRI to develop the new Silk Road connecting East and West. Both UAE and China are also focused on developing maritime trade with a critical role played by Dubai Ports World (DP World) which controls Jebel Ali, the largest container port in the world outside East China (Miller and Verhoeven 2020: 13-16). For China, the UAE thereby plays a vital role in its ambition to develop the maritime Silk Road (Qian and Fulton 2017).

China has historically been more reticent to develop a political or military capacity to match its growing economic presence in the Gulf region. China is, in practical terms, militarily absent from the region, though it does have its sole foreign military base in Djibouti. Although China is similar to Russia in not bandwagoning with the USA, and politically tends to support Russia over contentious issues such as over Syria or Iran, it has generally not sought to challenge the USA in the direct way that Russia does. This is partly because, unlike Russia, China is a large oil importer and thus benefits from the public good of Gulf security provided by the USA. In addition, its primary political and military interest is in East rather than West Asia and China's preference is that the USA remains military engaged in the Middle East rather than 'pivoting' to the Asia-Pacific region. On an economic level, China's economic investments and engagement are mainly, with the partial exception of Iran, with pro-Western Arab countries.

However, this does mean that, from the perspective of Saudi Arabia and the UAE, China is a more trustworthy and credible long-term ally than Russia and thus acts as a potential future balance against the USA. China increasingly finds itself at a crossroads, seeing that its previous neutrality might no longer be sustainable, particularly as bilateral US-Chinese relations become more toxic. There is, therefore, a strong pull from the Arab Gulf states for China to assist them to loosen their dependence on the USA. A significant milestone in China's position came with its successful brokering of the restoration of diplomatic ties between Iran and Saudi Arabia in March 2023 (Hille 2023). This demonstrated a new ambition and resolve to develop an independent political and security ambition that is independent of, and to some extent balancing against, US interests in the region.

Conclusion

This chapter has sought to demonstrate that Saudi Arabia and the UAE follow a complex mix of balancing, bandwagoning, and strategic hedging in securing their military, political, and economic interests. The USA remains a vital and currently irreplaceable source of military security and is critical for the Gulf states to balance effectively against Iran. However, the US-Saudi and US-UAE relations include significant tensions that derive from the fact that a number of core values in US foreign policy are in tension with those of the Gulf states. Whether they like it or not, these Gulf countries are required at least partially to bandwagon with the USA due to the divergent values underpinning the strategic relationship. Relations with Russia and China potentially help to reduce and mitigate these costs. Russia offers a partial countervailing support for Riyadh and Abu Dhabi whether that is in relation to oil quotas, intervention into Libya and Yemen, or human rights. But there is a limit to how much Russia can help the Gulf states to balance against the USA. With China, such balancing is a more credible prospect, as China has the economic power potentially to balance against the USA and thus greater regional credibility. In general, though, China has tended not to show a will to develop a matching political or military power that could effectively challenge the USA. However, there are signs, most notably the strategic intervention to support a Saudi-Iranian rapprochement in 2023, that point to a more substantive strategic role for China as an alternative source of power to the USA. How this will develop will depend significantly on the future evolution of Sino-American relations.

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