



Book Review

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Geoffrey Kemp, *The East Moves West: India, China, and Asia's Growing Presence in the Middle East*. Washington, DC, Brookings Institute Press, 2010, pp. 326, U.S.\$29.95, ISBN 0815703880.

The Middle East may be a term coined in the 19th century by British geographers, but in the 21st century, it is an area that creates furrowed brows more than any other part of the world. The reason, as a UK politician once famously remarked, is oil, because if the area had been known for its carrots, Saddam Hussein would never have invaded Kuwait, nor would the America and their allies thrown him out. Geoffrey Kemp, an American scholar who has had considerable experience both in US government and outside it, has produced a book that looks to assess what the Middle East's economic and security linkages might be in the future. The world's economic centre of gravity is shifting to the East, so when this happens, what would be the downstream effects on the region's politics? Since the Middle East will probably continue to be volatile, how would intra-Asian geopolitics begin to affect the stability of this region? Secondly, how exactly will the focus of the Middle East's rulers shift from the West towards the East – mainly to China and India?

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If the West's stranglehold on the Middle East rests on oil, gas, trade and investments, these are precisely the factors where the East will begin to dominate. For instance, China and India will replace Japan as the primary importers of oil and gas, but nevertheless these three countries along with Korea will corner the bulk of hydrocarbon commodities. Similarly, non-oil trade has shown increases of approximately 250% to 750%. With the increase in trade has also come Eastern foreign direct investment (FDI), which has increased threefold between 2003 and 2007. The movement of people towards the moderate Muslim Gulf states has resulted in huge numbers of tourists from stricter Islamic states letting their hair down in the Gulf states, most of which have liberal dress codes and permit alcohol consumption. Not surprisingly, tourism from Muslim countries alone is the third largest revenue earner for the Sheikdoms. Riding on the back of the demand for air travel, some Gulf airlines have acquired a world presence in profitability and hospitality.

The uncertain question may be the extent to which the preponderant Gulf dependence on Western arms, equipment and military alliances may be supplanted by Eastern powers. All Gulf states are currently comfortable with their close Western association but look doubtfully at the economic decline of the West and wonder whether the Chinese model will be worth imitating.

During the British era, the Middle East was "controlled" by the Indian Army on behalf of London. In World War II Indian troops were a significant part of the Allied sweep into the western Desert and the campaign in Italy. Indian troops were instrumental in the defeat of the Vichy French in Syria, the pro-Nazi government in Iraq and were garrisoned in Iran for most of the war. India's re-emergence as a power in the Middle East is dependent on India's economic rise, to the extent that taken as a bloc, the Middle East is India's largest trading partner, outdoing the United States, China and the EU. For many years the warmth of the relationship between India and the Middle East countries prevented Indo-Israel contacts. That phase is over with Israel's huge military exports failing to dampen that warmth.

With the Gulf states and Saudi Arabia, India's ties lie mainly in demographics and oil. There are roughly 4.5 million Indians in these countries who send home approximately \$7.3 billion. The Keralites in the Gulf contribute as much as 22% of the gross domestic product (GDP) of the state. The story of the Gulf and India goes back to the early 1960s when the Indian rupee was the official currency of the region. Today Bollywood links the two regions culturally. As India becomes more prosperous

(doubling its GDP every eight years), the country needs huge energy inputs from the Middle East. Although energy consumption per Indian is only 435 Kw per year against the US consumption of 13066 Kw in 2004, oil requirements between 2010 and 2030 are expected to quadruple.

During all these years before India recognised Israel, New Delhi's fear was that its oil dependence dictated a certain distant posture towards Israel. That attitude has now gone. An increasingly confident Indian Navy constantly visits the area and is seen today as a benign presence, worth cultivating against an uncertain future. Even with Saudi Arabia, a country that India was wary of, the relationship is much friendlier. Saudi Arabia, admittedly, is still susceptible to Pakistani pressure to keep Delhi out of the Organisation of Islamic Countries (OIC) conference, despite India having the second largest number of Muslims in the world. The deepest people-to-people relationship is probably with Oman. Although government initiatives drive much of the bilateral relationship, there is a huge traditional boat traffic between the Kerala and Kutchi Muslims and Oman, where most natives speak some Kutchi or Malayalam. In many Gulf states, Indians constitute 33% to 50% of the population, except in Saudi Arabia where Indians form 20% of the expatriate population.

The Indo-Iranian relationship has gone through some turbulent times, since Mahmoud Ahmadinejad came to power. Most Indians have benign views of Persian culture, but are not able to differentiate between civilisational Persia and Ahmadinejad's Iran, which bears no resemblance to what Persia once was. Both the Saudi monarch and President Mohammad Khatami of Iran have been the chief guests at India's republic day parade, indicating New Delhi's interest in placating the two big powers in the Middle East. Iran, as the second largest reservoir of hydrocarbons, has been less forthcoming in agreeing to build energy pipelines to India because of its wayward pricing policies. All the same, Iran is important to India both as a conduit to Central Asia in case Afghanistan is not available, and also as a rational power to stabilise Afghanistan against a fundamentalist Taliban.

The chapter on China is aptly named "The return of China", marking the second or third occasion that the great East Asian power has reacted closely with West Asia. Its present engagement with the West Asian powers has been labelled the soft power approach, but for reasons that are not clear. True, the regimes in the Middle East are not democratic and China has no strong views on being friendly with autocratic regimes. But is this what soft power means? Probably this is hard *realpolitik*, as Beijing

balances friendship with Iran, Saudi Arabia and Israel all simultaneously. Lately of course, China's relationship with this region is based primarily on securing her energy needs. China is already the second largest consumer, and will soon be the largest. Certainly at the time of writing the book, Saudi Arabia was the largest supplier followed by Angola and Iran. There is, however, contrary evidence coming in that there is now probably more oil coming from Africa's west coast than from the eastern side. But that does not change the central fact that China is hugely dependent on Middle Eastern oil and will be even more dependent in 2020 or 2030. There are a few pages devoted to China's infrastructure development in China. While this is certainly informative, the link between the Middle East and Chinese infrastructure is not readily apparent.

The strongest Chinese relationship in the Middle East is clearly with Iran, and the explanation is clear. China is Iran's chief trading partner, its chief weapon supplier, its largest oil buyer and China assisted Iran with civil nuclear cooperation. It did vote against Iran on one occasion in the UN, but Kemp glosses over the fact that in a world that looks hostilely at Iran's nuclear programme Teheran's chief source of support in withstanding sanctions is Beijing. China may be able to explain away its special relationship with Teheran as being in the national interest but it is unfair to suggest that China is actually being even handed as a global power in dealing with Iran, whose adventurousness could lead the region into unbelievable trouble. China's relationship with Saudi Arabia is equally destabilising. The first to offer the Saudi monarch a ballistic missile system with neither accuracy nor a warhead, China made a huge profit selling the Saudi's a lemon. The strategic reserve of oil is a much more interesting idea, where China stores 800 million barrels of Saudi oil, adjacent to all its naval bases. Not explained is the financial transaction supporting this immense deal. The oil is clearly Saudi, while it is in China, so then does future sales to China occur 'on top' of the strategic reserves?

In a small but explosive paragraph, Kemp suggests that Pakistani nuclear weapons might actually convert into 'Sunni' weapons, in case Iran develops nuclear weapons. This is to say Pakistani weapons on Saudi soil would provide Sunni deterrence, and it is suggested that China is not unaware that Saudi money is what has enabled Pakistan to buy nuclear technology from them. This is indeed piquant that Chinese resistance to international sanctions may have been the reason Iran was enabled to make nuclear

weapons in the first place, and the resultant Sunni–Shiah rift is further exploited by China to arm the Sunni camp. It might keep the oil flowing from both camps.

Pakistan is an important presence, but in many ways its political influence is exerted partly as a spoiler for India, and as a booster for China. Its presence is on account of demography, with almost a million Pakistanis in the Gulf. Their remittances may well be Pakistan's primary foreign exchange earner. If Pakistan was a normal state it could have been a major player in three ways – as the energy corridor for China into the Gulf to avoid the Malacca bottle neck; secondly as China's gateway to Africa, and the world's trade route to central Asia; and lastly as the link between the Middle East and Asia. All these aspirations are probably on hold as Islamabad's generals focus solely on crippling India. Kemp sees the huge dangers of growing terrorism and jihadism from Pakistan, but probably fails to see the continuing deterioration of Pakistan as a state.

In this chapter, as the one on China, there are extensive notes on Pakistan's infrastructure development, the relevance of which to the Middle East is not quite clear. Pakistan is described as a very interesting pawn in China's broader international strategy. Indians, of course, see Pakistan more as a state available 'on rent', firstly by the United States, and after the Afghanistan withdrawal, by China. So despite attacks on the Chinese in Islamabad and Balochistan and Islamist threats to Xingjiang from terrorist camps in Pakistan, the China–Pakistani axis will probably continue to prosper.

Japan exerts a big but shadowy presence in the Middle East, from where it gets 90% of its oil. If there is a country that truly pursues economic interests even handedly between Iran and the Saudi Peninsula, it is Japan. No hint of any political interests even lurk in Japan's relationships with the area. Its influence appears solely that of a buyer. It has executed or designed some big projects like the Jumeirah Palms. South Korea's relationship is very similar to that of Japan's, with the additional factor that many Koreans also work in the Gulf in high end construction jobs, unlike the Japanese. The signature tower of Dubai was built by a South Korean firm.

Israel's economic linkages to Asia are relatively small, but its military technology has made it a big, if conflictual, power in Asia. The economic relationship is strongest with India, but almost 60% of the trade figures between the two are apparently just diamonds. Nevertheless, Israel has become one of India's largest arms suppliers, while India is Israel's largest arms buyer. The huge Indian arms modernisation plan has run

virtually on Israeli equipment, with Soviet-origin tanks, combat aircraft and electronic warfare equipment being upgraded with Israeli imports. Strangely enough, Kemp notes, there is a certain amount of Israeli supply to China, which hits the headlines only when the United States steps in to ban the sale, as occurred in the case of the airborne early warning (AEW) radar and Israeli unmanned aerial vehicles (UAVs). In the reverse direction, Chinese arms seem to go anywhere and everywhere, including to Hamas and the Hezbollah, whose rockets that are fired into Israel are often of Chinese origin. But, as Kemp predicts, it is only a matter of time before the EU ban on arms sales to China is lifted for economic reasons. At that stage Israeli companies will clamour for a share of the Chinese market, in competition with the EU.

The central argument in the book occurs over whether after looking at all the data, the strategic links between the Middle East and the 'West' will be replaced by linkages with the growing East. At first glance, the record of Middle East's dependence on the West in the recent past, currently and in the near future does not seem to shift. The efforts of the United States to keep the straits of Hormuz open in the Iran–Iraq war, the action to liberate Kuwait in 1991, the huge investments to maintain the US presence in the Gulf over 10 years (\$60 billion), and the US permanent investments in defence facilities in Diego Garcia, Djibouti, Egypt, Oman, Qatar, Bahrain, Saudi Arabia and Kuwait, are all unlikely to be replaced by an Asian power for decades. In fact, Kemp argues that, for a long time, China will probably not even be able to exert decisive influence over its home waters off Taiwan.

Changes are in the offing though. Iran will attempt to contest maritime superiority in the Gulf, and India and China's maritime capabilities are increasing. But then to believe that China and India's maritime power could set up alternate poles of power is a leap in the dark. Similarly, to suggest that India, China and Japan are demonstrating a willingness to contribute to regional security is also a leap of faith. The participation of many, if not most, countries to multinational tasks is surely more symbolic than substantial. The phased withdrawal of the allied coalition from Afghanistan is an example. When the coalition partners have withdrawn and the US surge is complete, just the continued presence of the United States and the British would still leave allied forces with more power than when the European allies were present. At sea, the US preponderance is huge, and Kemp's contention that US naval power 'may' be thinning out is difficult to accept.

The rise of piracy and multinational cooperation has created the impression that nations are willing to fight together – but surely this is an illusion. Billion dollar missile frigates being deployed against poorly armed pirates does not give any clear idea of the resolve of nations to fight seriously. Kemp is right that at one stage it looked as though US–India cooperation was headed for some important place. Lately the only indication of this intent are the joint exercises, which have now peaked in their complexity. Recent arms sales though the Foreign Military Sales (FMS) route show that the Indian Army and air force have been much quicker off the mark than the navies in giving content to the strategic relationship. This may be a passing phase but it is a serious one, because if navies of trans-continental countries see no strategic content, then there clearly is not one.

A winning factor could have been mutual problems with China. Lately the Sino-Indian relationship appears to have declined somewhat, but surprisingly it does not seem to have led to any great warmth in the US–Indian relationship, as each probably suspects of the other of hedging. Kemp wrote the book well before Obama's visit, but the outcomes of the visit have been so disappointing that any speculation of a US–India partnership in the Indian Ocean is still premature. Kemp expects much of the Indian Navy and its expansion plans, and that probably was true in 2007 or 2008, but things appear to have showed down for the once rapidly expanding Indian Navy. One of Kemp's extrapolations is very interesting and apt. What if Gwadar becomes not a Chinese naval base but a Chinese air base, and the Central Military Commission (CMC) solves the whole problem of sending People's Liberation Army (PLA) task forces into the Indian ocean without tactical air cover? The authorities that the author quotes on Chinese force build-up probably underestimate China's economic rise. Its \$5 trillion GDP could double to \$10 trillion by 2017, so what we need to consider is what the PLA Navy (PLAN) of a \$10 trillion nation will look like. Particularly as China dumps its surplus cash to buy resources in Africa and lately South America, the big unanswered question is whether flag will follow trade. True, the idea of PLAN expanding to protect its sea lines of communication in the near term may be unreal, as it is cheaper to ride on the United States' interests in doing the same job.

Kemp does consider how the unresolved Asian conflicts will spill over into the Indian Ocean, and hence presumably into the Gulf. The big conflicts are clearly Sino-Indian, and to a much lesser degree the Sino-Japanese rivalry in the Pacific, and of

course the Sino-US competition. The Gulf states, according to Kemp, are fairly divided down the middle, with the Sunni states looking upon the United States as a net security provider and Iran assuming the opposite view. Kemp's view is that the current status quo in the Gulf is the best solution, but acknowledges in the last chapter that a number of scenarios could unfold.

In a chapter on scenarios, Kemp opts for four likely ones with varying degrees of economic recovery producing four disparate strategic outcomes. In the first, the entire world recovers and the Gulf continues to be a centre for tourism, sports and cultural activities. In this scenario, there are no bad outcomes for anyone. In the second, practically the whole world suffers from a very slow economic recovery and all the potential hotspots flare up. The slow economic growth of the Western world spurs a third scenario where the Asian giants leave the West well behind, but are then unable to come to an amicable arrangement over power sharing in the Gulf and the Indian ocean region. In this scenario the United States is confronted by the necessity of looking at withdrawing from "east of Suez" as the United Kingdom once had to. The fourth scenario is a muted version of the first scenario, and is not very convincing as a separate scenario. Kemp has outlined the possible drivers and these are valid, but the process whereby the coalescing of the drivers lead to the four scenarios are unclear. The main drivers are nationalism, ideology, ethnicity, religion, economics, oil prices, Israel, the US presence and the Asian powers. Clearly the driver of Asian powers is a minor one relative to the others, which rather questions the rationale of the title of the book. Nevertheless this is a necessary book, and analyses issues infrequently addressed in strategic writing. Kemp has researched the subject well and created a datum for those looking to see how the future of this strife torn region might unfold.